ACCENTURE PLC

COMPANY REPORT

INFORMATION TECHNOLOGY SERVICES

30 DECEMBER 2018

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The Great Pass

Not concerned with noise, play the long game.

- Accenture is a great company with an effective management team and is a leader in its industry.
- Accenture's financial position is healthy and improving. Profitability ratios are stable and cash flows are more than adequate.
- Accenture is projected to be valued at $126 USD, which represents a 10% negative yield over the next 12 months before adjusting for the 2.1% dividend yield.
- Accenture's biggest threats come from the intense competition it faces from various organizations that compete to weather away ACN's competitive advantages.
- Accenture faces numerous risks directly and indirectly. The biggest risks include: cyber-attacks, reputational loss and geopolitical & macro-economic shocks.

Company Profile

Accenture PLC is leading a management consulting, technology services and outsourcing enterprise, with operations in 56 countries and serving 19 industry groups within five operating lines: 1) Communications, Media & Technology, 2) Financial Services, 3) Health & Public Services, 4) Products and 5) Resources. Accenture seeks to use both its own and strategic partners' extensive industry knowledge and business process expertise. This would be to help clients identify new business opportunities and technological trends, as well as to formulate and implement strategies to boost revenues, expand into new markets, and deliver products and services more efficiently. Today, roughly 60% of Accenture's business revenues come from services related to the termed "New" technologies: Digital, Cloud, and Cyber-Security. Clients of Accenture include Fortune Global 500, mid-sized enterprises and government entities.

Accenture operates in a highly competitive and rapidly changing global marketplace. It competes with a variety of organizations offering services seen as comparable with those offered by the company. The list of competitors is vast, including: accounting firms, large multinational providers, off-shore service providers in low-cost jurisdictions, in-house departments and niche solution providers. However, Accenture continues to be at the forefront of the industry, as it has invested heavily in strategic acquisitions, which have helped it successfully launch the "new" digital offerings.

Accenture has a very healthy balance sheet with $5 billion USD of cash and cash equivalents compared to a very manageable $25 million dollars of debt. In addition, operating activities bring in sufficient cash flow to cover both investing and financing activities.

THIS REPORT WAS PREPARED EXCLUSIVELY FOR ACADEMIC PURPOSES BY PAULO JUNIOR PEREIRA, A MASTERS IN FINANCE STUDENT OF THE NOVA SCHOOL OF BUSINESS AND ECONOMICS. THE REPORT WAS SUPERVISED BY A NOVA SBE FACULTY MEMBER, ACTING IN A MERE ACADEMIC CAPACITY, WHO REVIEWED THE VALUATION METHODOLOGY AND THE FINANCIAL MODEL.
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Recommendation:	Sell

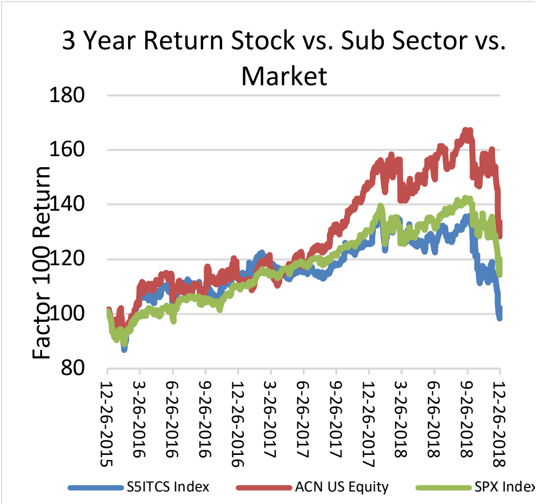
Price Target FY19:	$125.79

Price (as of 3-Jan-19)	$139.01

Source: Bloomberg

52-week range ($)	132.63 - 175.64
Market Cap ($m)	87.361
Outstanding Shares (m)	628.451

Source: Bloomberg

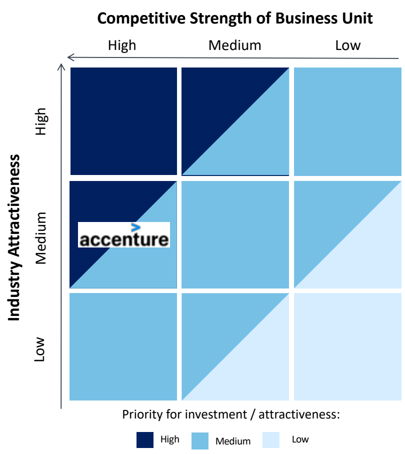


Source: Bloomberg

(Values in $ millions)	2017A	2018A	2019F
Revenues	36,765	41,603	45,140
EBITDA	5,944	6,734	7,586
Net Profit	3,634	4,214	4,820
EPS	5.56	6.46	7.84
P/E	23.5	26.3	17.73
Dividend	2.42	2.66	2.92

Source: F/S

Executive Summary



Accenture is a great company with a great reputation. The management team has successfully been executing strategic plans and growing the business organically and through acquisitions and partnerships. The investments in the 'New' have been growing at a double-digit pace and now account for more than 60% of the company's revenues.

Accenture's financials are solid and provide it with the ability to meet its current and long-term obligations, as well as fund its growth and total shareholder return objectives. Furthermore, the $5 billion USD in cash on hand provide the company with a lot of options and stability for the future.

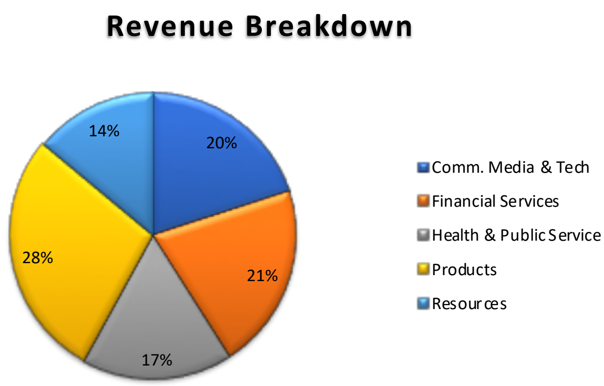
Accenture has outperformed the market over the last three years and currently trades at a premium, relative to its peers. This report suggests that Accenture's outperformance will cease, and the stock should return a negative 10% yield over the next 12 months, as its intrinsic value is below its current market value; thus, this investment thesis rates investments in ACN a **Sell**.

Although, Accenture is a market leader when it comes to IT consulting, it competes in a competitive market and faces numerous risks that could threaten its reputation and thus, its operational performance.

Company overview

Accenture PLC is leading a management consulting, technology services and outsourcing enterprise, with operations in 56 countries. ACN employs more than 460,000 employees across the globe.

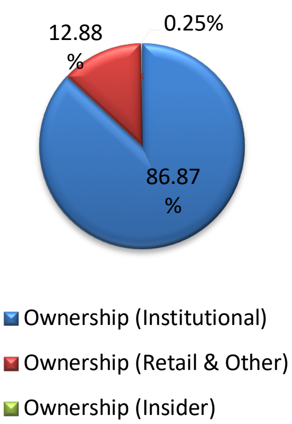
Company Description



ACN services 19 industry groups within five operating lines: 1) Communications, Media & Technology, 2) Financial Services, 3) Health & Public Services, 4) Products, and 5) Resources. Revenues are generated at 20%, 21%, 17%, 28% and 14% respectively over the five operating lines. In addition, the revenues are also split 45% between North

America, 36% in Europe and 19% in growth markets.

Ownership Statistics

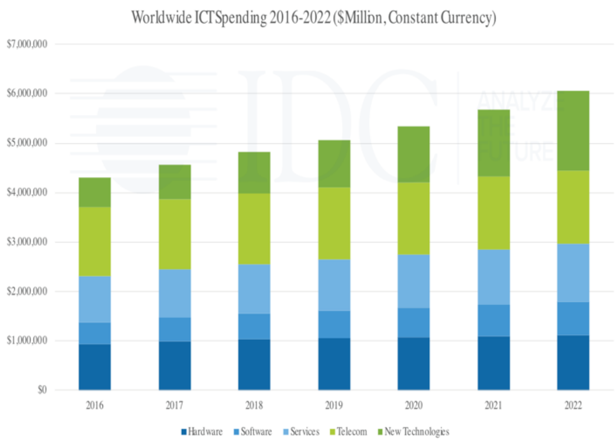


Shareholder structure

At the end of FY18, Accenture had roughly 628.5 million shares outstanding. 87% of the outstanding shares are held by institutional investors, 12.75% are owned by retail investors and the remaining 0.25% are owned by company insiders (Appendix 14).

Upon analyzing the institutional ownership composition, the top 20 owners account for 49% of the shares outstanding and the single largest owner owns roughly 8.25%. These high concentration levels can result in both favourable and unfavourable pricing pressures under certain conditions. Given ACN's strong past performance and continued outlook for earnings growth, large institutional owners should provide favourable price support despite the increased market volatility, which has lowered valuations in recent weeks.

The Sector



There is a positive outlook for the IT Consulting & Other Services sub-industry. Although, there are significant macro level events that could be detrimental to the industry, spending on IT and business services is expected to increase at a compounded annual growth rate of 4.2% between 2017 and 2022 according to IDC[1]. The industry will also see IT companies supplement growth via acquisitions as seen through the Computer Sciences Corp. and DXC Technology merger in 2016[2], and the 37 purchases done by Accenture in 2017[3].

Comparables

There are numerous companies that offer similar services to Accenture; however, only a few companies have a market cap greater than a billion dollars. The comparable companies are listed in appendix 5. Some of these companies including ACN are constituents of the S&P 500 IT Consulting & Services Sub Industry group, which has a 94.33% correlation with S&P500 over the last three years.

Valuation

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2015												-2.54%	-2.54%
2016	1.00%	-5.00%	15.10%	-1.21%	5.36%	-4.77%	-0.42%	1.94%	6.23%	-3.87%	2.74%	-1.93%	14.33%
2017	-2.78%	7.58%	-2.14%	2.24%	2.61%	-0.63%	4.16%	1.51%	3.30%	6.42%	3.97%	3.43%	33.34%
2018	4.97%	0.19%	-4.66%	-0.62%	3.00%	5.04%	-2.60%	6.11%	0.67%	-6.54%	4.38%	-14.29%	-6.21%

The multiples analysis conducted demonstrates that ACN is roughly 20% overvalued when compare to the average peer multiples of Price-to-Sales, Price-to-Cash Flow and Price-to-Earnings (Appendix 5). The problem with this analysis is that the size of ACN, its reputation and list of clients make it trade at premium in relation to most of its listed peers. In addition, ACN's performance has been outperforming the market over the last two years.

This report's recommended price target for Accenture shares is $125.79 USD and was achieved through the combination of two valuation methods: a discounted cash-flow (DCF) method and an enterprise-value (EV) to earnings before interest tax depreciation and amortization (EBITDA) multiple analysis (Appendices 8-11). However, most consideration is given to the DCF.

DCF

Perpetuity Growth Method	
Current Price (USD)	139.01
DCF Estimated Value per Share (USD)	125.79
DCF Projected Return	-10%

		Perpetuity Growth				
		2.7%	3.2%	3.7%	4.2%	4.7%
	10.6%	$ 129.80	$ 136.39	$ 143.93	$ 152.64	$ 162.82
Discount	11.1%	$ 122.07	$ 127.77	$ 134.24	$ 141.65	$ 150.21
Rate	11.6%	$ 115.21	$ 120.18	$ 125.79	$ 132.14	$ 139.42
(WACC)	12.1%	$ 109.09	$ 113.45	$ 118.34	$ 123.84	$ 130.09
	12.6%	$ 103.59	$ 107.45	$ 111.74	$ 116.54	$ 121.94
		2.7%	3.2%	3.7%	4.2%	4.7%
	10.6%	-7%	-2%	4%	10%	17%
	11.1%	-12%	-8%	-3%	2%	8%
	11.6%	-17%	-14%	-10%	-5%	0%
	12.1%	-22%	-18%	-15%	-11%	-6%
	12.6%	-25%	-23%	-20%	-16%	-12%

The DCF method was constructed utilizing the following assumptions:

- Revenue growth will be around a compounded annual growth rate of 6.9% per annum. This growth rate is above the global IT spending increase per IDC's[1] report, and near the midpoint of management's guidance[6]. This revenue growth rate is attributed to ACN's leading market position globally and thus, it is likely ACN will be considered/requested to tender offers for most contracts.
- The terminal growth grate will be 3.7%, which reflects the transition from the Free Cash-Flow growth rate in year 5 in the model to a mature growth of 2% after 17 years.

- Accenture will strive and maintain its ratio targets comparable to prior years as seen in appendix 13.
- Impact of foreign exchanges are negligible.
- The WACC is based on ACN's current financing structure, appendix 7.
- The effective tax rate of 24% will remain unchanged for the indefinite future.
- The ending number of shares outstanding reflect $1.9 billion dollars net of share buybacks at the current market price.

Analyzing appendices 8 and 9, the DCF provides a valuation of roughly $126 USD, which implies a -10% return from the current market price. However, a 1% increase in the growth rate of the terminal growth rate should lead to a 0% return. Given Accenture's annualized volatility is 20%, both results are within reach of the following 12-month timeframe. As it is overvalued, considering Accenture's profile and growth prospect, it still receives a sell recommendation as it will deprecate in value under the current model assumptions. However, a decrease in the cost of capital to level seen in early November (9.9%) could result in a near 20% return.

EV/EBITDA

EBITDA Multiple Method	
Current Price (USD)	139.01
EBITDA Multiple Estimated Value per Share (USD)	**147.32**
EBITDA Multiple Projected Return	**6%**

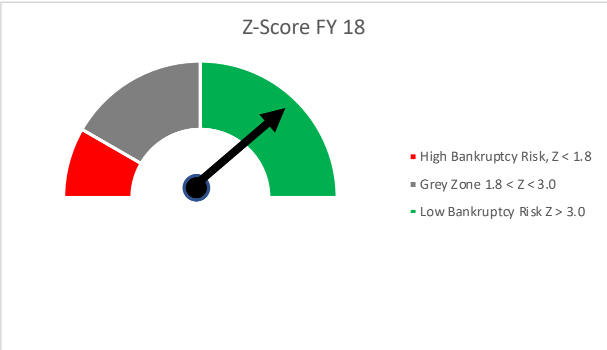
Discount Rate (WACC)	Terminal EBITDA Multiple: 8.6x	10.1x	11.6x	13.1x	14.6x
10.6%	$ 123.69	$ 138.45	$ 153.20	$ 167.95	$ 182.71
11.1%	$ 121.37	$ 135.80	$ 150.22	$ 164.64	$ 179.07
11.6%	$ 119.11	$ 133.21	$ 147.32	$ 161.42	$ 175.52
12.1%	$ 116.90	$ 130.69	$ 144.48	$ 158.28	$ 172.07
12.6%	$ 114.75	$ 128.24	$ 141.73	$ 155.21	$ 168.70

	8.6x	10.1x	11.6x	13.1x	14.6x
10.6%	-11%	0%	10%	21%	31%
11.1%	-13%	-2%	8%	18%	29%
11.6%	-14%	-4%	6%	16%	26%
12.1%	-16%	-6%	4%	14%	24%
12.6%	-17%	-8%	2%	12%	21%

The EV/EBITDA multiple analysis was constructed using many of the same assumptions as the DCF method. The estimated exit EV/EBITDA of 11.62x represents a 17% premium over the average peer EV/EDITDA multiple as per appendix 6. This resulted in a valuation of $147 USD, resulting in a 6% return. Looking at the sensitivity analysis, the premium on EV/EBITDA would have to decrease 1.5x to yield a negative return. Although, this result is a buy recommendation, given general negative market sentiment, the EV/EBITDA could possibly be best utilized to estimate a valuation when an inflection point occurs regarding the market sentiment.

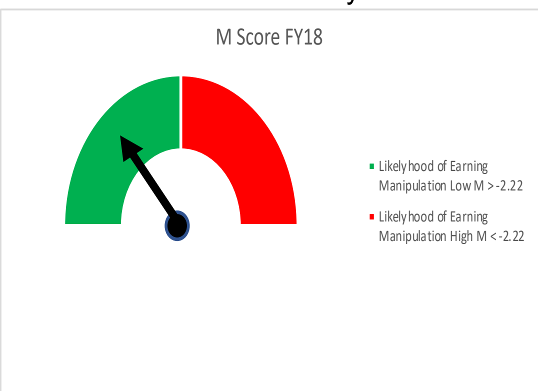
Financials

As outlined in the accompanying Appendices 1 & 13, Accenture is in a strong financial position. At the end of fiscal year 2018, ACN had $5 billion dollars of cash on its balance sheet compared to just $25 million dollars of debt. Looking at the financial stability ratios, they are all considered healthy and sufficient. In addition, looking at the Z-score results in appendix 3, it is highly unlikely that Accenture would file for bankruptcy within the next 12 months.



Moving toward the income statement, Accenture has strongly committed to maintaining its profitability ratios within a small defined range, making them consistent year over year. Revenues have increased 6.37% CAGR between FY16 and FY18, and it is expected that the revenue growth CAGR will continue to be strong by posting 7.5% growth over the next 3 years. Maintaining the gross profit margin of around 31%, EBIT margin of around 15% and Profit margin of around 11% by FY21 operational results will be $15.9 billion, $7.6 billion and $5.7 billion, respectively.

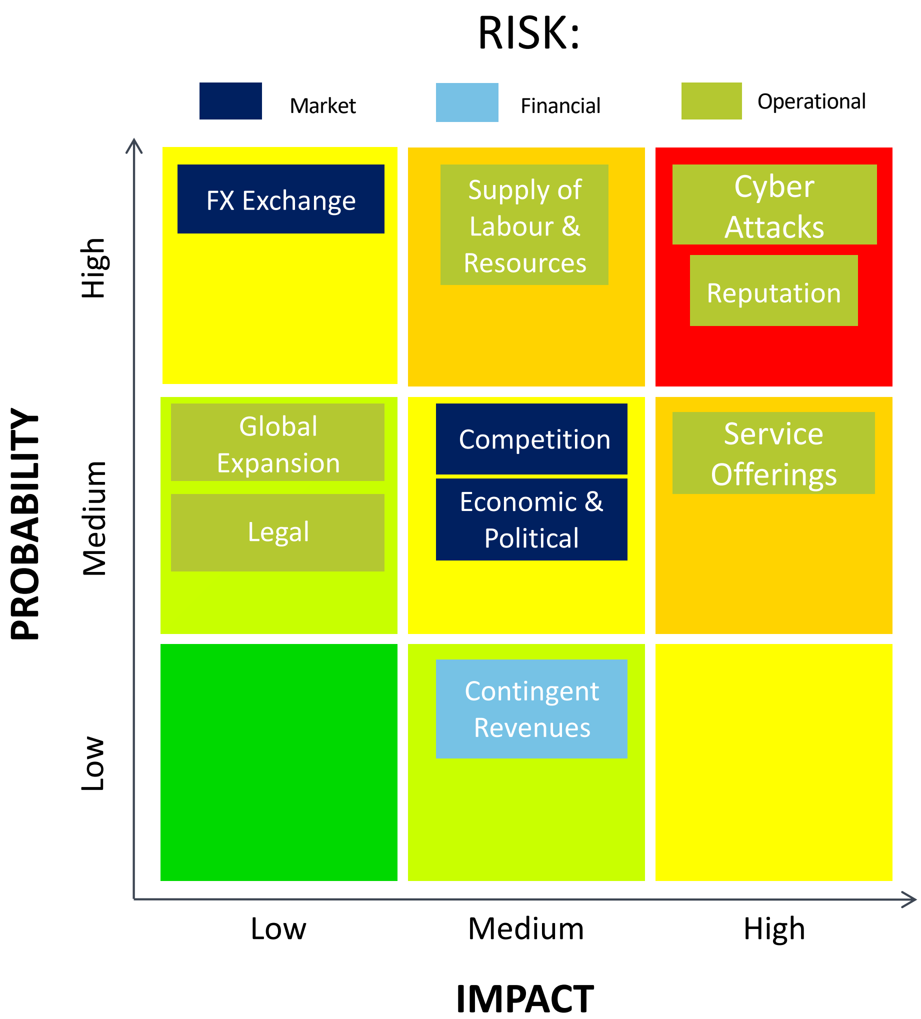
Analyzing the cash flow statement, Accenture's operating cash follows provide sufficient funds to cover both financing and investing activities. The $6 billion dollars of cash generated from operations cover the average yearly acquisitions of $1.3 billion in PP&E and other business as well as the $1.7 billion dollars of annual dividends and $1.9 billion dollars net of share buybacks. Currently, the board of directors has approved the allocation of $6 billion dollars for the repurchase of stock during the next few quarters. It is expected that Accenture will continue to repurchase stock at around $2.6 billion dollar annually and increase dividends payments 10% annually in-line with maintaining a dividend payout ratio at around 40%-45%.



To conclude the analysis of the financials, an M-score analysis was conducted to demonstrate that the financial statements do not appear to be manipulated by management. The M-score provides confidence that the companies actual performance has been achieved through the excellent execution of the corporate strategic plan and targeting profitability ratio on the services provided.

Risks

There are numerous risks that Accenture faces over the course of its day-to-day business. These risks can be grouped into three categories: Market risks, Financial risks, and Operational risks.



Market Risks

- 1) Foreign Exchange – Probability High, Impact Low
  - 55% of Accenture revenues are derived outside of North America and are earned in basket of different currencies. As seen in previous years, fluctuations in foreign currency have had an adverse effect on operations and could potentially have a material effect. Significant increases in the value of the Indian Rupee or Philippine Peso could result in increased costs for services

provided at these off-shore locations. Another risks, is the rising volatility of the British Pound as the likelihood of a hard Brexit increases.

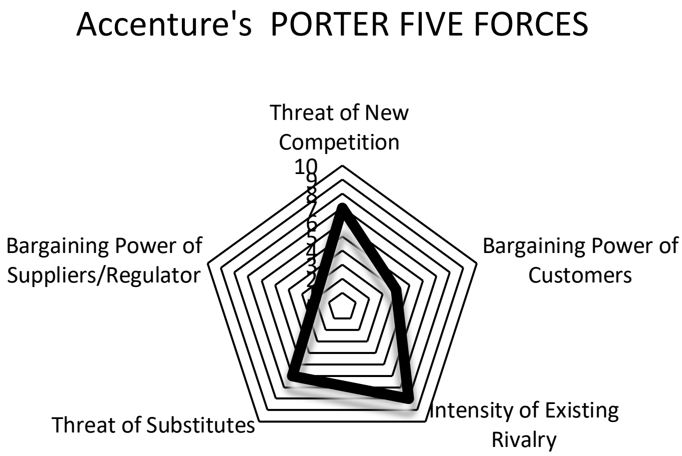
- 2) Competition – Probability Medium, Impact Medium
    - As outlined in appendix 4, one of Accenture's biggest threats is the threat of existing and/or new rivalry. Accenture must continue to invest heavily to maintain its competitive advantage. Although, this might be a short-term risk, over the medium-term, competition could whisk away a couple of clients. Competitors may also have more resources and may be more successful at selling their services. In addition, the industry is facing consolidation, which means new bigger players may arise.

- 3) Political & Economical – Probability Medium, Impact Medium
    - Changes in global macro economical and geopolitical conditions could affect ACN's clients' businesses and the markets they serve. As a result, clients could lose business confidence and reduce or defer spending on new projects and technologies. For 2019, the biggest risks that are currently foreseeable are: a hard Brexit, continuing US Federal Reserve Rate hikes and the continuation of the trade tensions between the US and China, and the US and the rest of the world.

Operational Risks

- 1) Reputation – Probability High, Impact High
    - One of Accenture's most valuable assets is its brand name and reputation. This highly important intangible asset, which does not appear on the financial statement, helps differentiate Accenture's services and contribute to the recruitment and retention of talented employees. However, reputations are easily susceptible to material damage by disputes with clients, service outages, internal control deficiencies or government investigations. In addition, Accenture may be susceptible to damages from

the actions of clients, employees or other related parties. Damages to reputation are costly and time-consuming to repair.



- 2) Cyber Attacks – Probability High, Impact High
  - The use of digital technologies plays a vital role in ACN's day-to-day operations. Digital technology and communication are susceptible to data breaches or hacking, which could potentially lead to service disruptions and/or the theft of sensitive or confidential information. Cyber-attacks are on the rise, as noted in ITPRO's Q3 report, cyber-attacks surged 55% on businesses[5] and ACN expects them to increase with the uses of artificial intelligence, the internet of things and analytics[4]. As Accenture discloses in their financial statements, they have experienced data security breaches in the past.

- 3) Supply of Labour & Resources – Probability High, Impact Medium
  - Accenture's ability to perform is dependent on its ability to maintain and attract top talent to meet the global demand for its services. If ACN is unable to hire or retain employees to keep pace with rapid changes in technology or industries they serve, ACN may not be able to deliver innovative solutions to fulfill client demands. In addition, there is intense competition for talent with expertise in new technologies, which makes Accenture's current

employees highly sought after by the competition. These factors may result in the inability for ACN to cost-effectively hire and/or maintain skilled talent, and lead to increasing costs, which may not be able to be passed onto the clients.

- 4) Service Offerings – Probability Medium, Impact High
  - Accenture's profitability depends on the services and solutions it provides to its clients. As technologies mature, their profitability tends to fall. Thus, profitability margins could be negatively affected if ACN fails to innovate and adapt to meet their client's needs. Currently, Accenture has been focusing on delivering solutions focused on the 'NEW' (digital-, cloud-, and security-related services). However, they have also been investing in areas such as artificial intelligence, augmented reality, automation, blockchain, internet of things and quantum computing to prepare solutions for clients for the years to come. However, client's demands are unpredictable and could require significant investments in research and development to meet evolving needs.

- 5) Legal – Probability Medium, Impact Low
  - Accenture's business exposes it to the risk of litigation from a variety of sources. Litigation could arise from clients, employees, partners, subcontractors, competitors, governments and other sources. Regardless of the merit of the claim, costs and time will be incurred to defend against them. Legal proceedings are inherently uncertain, and adverse judgements or settlements could be materially adverse. Although, ACN has insurance, it may not cover all potential liabilities among numerous other factors and can be very costly.

- 6) Global Expansion – Probability Medium, Impact Low
  - Currently operating in 200 cities in 52 countries, ACN has a complex operating structure dealing with differences in tax codes and laws. Accenture's growth strategy is to continue to grow in strategic markets around the world. This strategy includes establishing new global delivery capabilities in India and the Philippines. Failure to successfully implement the strategies and/or manage the complex global dynamic of operations could hinder growth and materially affect results. In addition, investments in emerging markets usually involve greater financial and operational risks.

Financial Risks

- 1) Contingent Revenues – Probability Low, Impact Medium
  - ACN's contracts often include numerous embedded options that affect timing and the amount of revenues depending on achievement of agreed-upon performance standards or milestones including: cost-savings, revenue enhancement, benefits produced, business goals attained and adherence to schedule. Failure to meet obligations could mean fines and even termination of contracts.

Appendices:

1) Financial Statements Actual and Forecasted

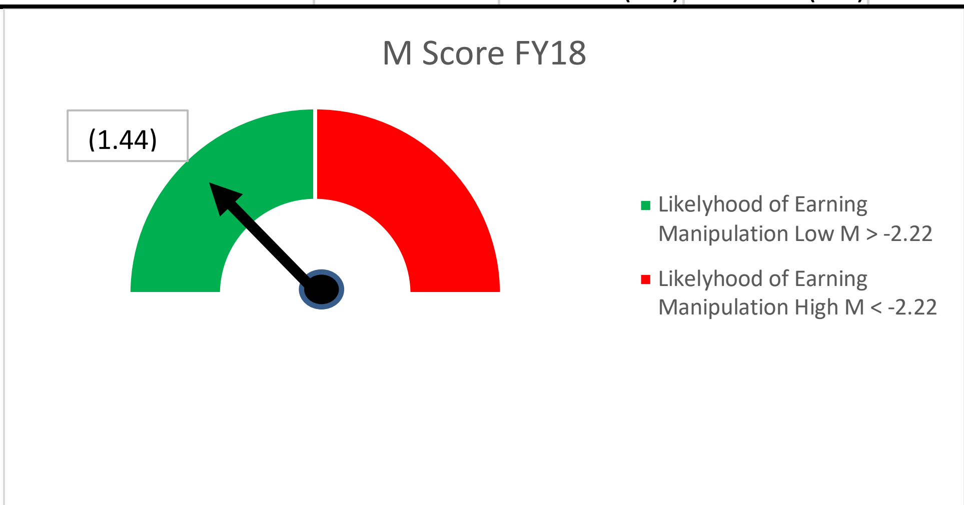
Income Statement (in 000's USD)						
Year	FY16A	FY17A	FY18A	FY19F	FY20F	FY21F
Income:						
Revenues before reimbursements ("Net revenues")	$ 32 882 723	$ 34 850 182	$ 39 573 450	$ 42 937 194	$ 45 942 798	$ 49 158 794
Reimbursements	$ 1 914 938	$ 1 915 296	$ 2 029 978	$ 2 202 526	$ 2 356 703	$ 2 521 672
Total Income	$ 34 797 662	$ 36 765 479	$ 41 603 429	$ 45 139 720	$ 48 299 501	$ 51 680 466
Expenses:						
Cost of services	$ (24 520 234)	$ (25 734 986)	$ (29 160 515)	$ (31 155 886)	$ (33 332 452)	$ (35 703 967)
Gross Profit	$ 10 277 428	$ 11 030 493	$ 12 442 914	$ 13 983 834	$ 14 967 049	$ 15 976 499
Sales and marketing	$ (3 580 439)	$ (3 754 313)	$ (4 198 557)	$ (4 681 270)	$ (4 950 455)	$ (5 223 157)
General and administrative costs	$ (1 886 543)	$ (2 133 777)	$ (2 403 315)	$ (2 679 627)	$ (2 833 712)	$ (2 989 811)
Operating Profit	$ 4 810 446	$ 4 632 610	$ 5 841 042	$ 6 622 936	$ 7 182 882	$ 7 763 531
Gain on investments, net	$ 848 823	$ (252)	$ -	$ -	$ -	$ -
Other expense, net	$ (69 922)	$ (38 720)	$ (69 746)	$ (76 902)	$ (76 402)	$ (88 475)
Earnings Before Interest & Tax (EBIT)	$ 5 589 347	$ 4 593 638	$ 5 771 296	$ 6 546 035	$ 7 106 480	$ 7 675 056
Interest income	$ 30 484	$ 37 940	$ 56 337	$ -	$ -	$ -
Interest expense	$ (16 258)	$ (15 545)	$ (19 539)	$ -	$ -	$ -
Earnings Before Tax (EBT)	$ 5 603 573	$ 4 616 033	$ 5 808 094	$ 6 546 035	$ 7 106 480	$ 7 675 056
Provision for income taxes	$ (1 253 969)	$ (981 100)	$ (1 593 499)	$ (1 618 751)	$ (1 732 311)	$ (1 843 633)
Profit After Tax	$ 4 349 604	$ 3 634 933	$ 4 214 595	$ 5 004 185	$ 5 450 571	$ 5 919 899
Minority Interest	$ (237 711)	$ (189 783)	$ (154 687)	$ (183 666)	$ (200 049)	$ (217 274)
Net Income	$ 4 111 893	$ 3 445 150	$ 4 059 908	$ 4 820 519	$ 5 250 522	$ 5 702 625

Balance Sheet (in 000's USD)						
Year	FY16A	FY17A	FY18A	FY19F	FY20F	FY21F
Assets:						
Current Assets:						
Cash and cash equivalents	$ 4 905 609	$ 4 126 860	$ 5 061 360	$ 6 589 111	$ 8 344 214	$ 10 624 569
Short-term investments	$ 2 875	$ 3 011	$ 3 192	$ -	$ -	$ -
Receivables from clients, net	$ 4 072 180	$ 4 569 214	$ 4 996 454	$ 5 168 145	$ 4 950 097	$ 4 750 523
Unbilled services, net	$ 2 150 219	$ 2 316 043	$ 2 499 914	$ 2 573 805	$ 2 479 963	$ 2 394 073
Deferred income taxes, net	$ -	$ -	$ -	$ -	$ -	$ -
Other current assets	$ 845 339	$ 1 082 161	$ 1 024 639	$ 1 001 523	$ 1 030 880	$ 1 057 750
Total Current Assets	**$ 11 976 222**	**$ 12 097 289**	**$ 13 585 559**	**$ 15 332 584**	**$ 16 805 155**	**$ 18 826 915**
Non-Current Assets:						
Unbilled services, net	$ 68 145	$ 40 938	$ 23 036	$ 49 089	$ 37 377	$ 34 071
Investments	$ 198 633	$ 211 610	$ 215 532	$ 256 842	$ 257 195	$ 278 358
Property and equipment, net	$ 956 542	$ 1 140 598	$ 1 264 020	$ 1 362 569	$ 1 416 829	$ 1 544 388
Goodwill	$ 3 609 437	$ 5 002 352	$ 5 383 012	$ 5 622 608	$ 6 028 491	$ 6 506 056
Deferred contract costs	$ 733 219	$ 755 871	$ 705 124	$ 869 083	$ 901 879	$ 940 047
Deferred income taxes, net	$ 2 077 312	$ 2 214 901	$ 2 086 807	$ 2 471 043	$ 2 923 411	$ 3 099 275
Other non-current assets	$ 989 494	$ 1 226 331	$ 1 185 993	$ 1 126 693	$ 1 070 359	$ 1 016 841
Total Non-Current Assets	**$ 8 632 782**	**$ 10 592 601**	**$ 10 863 524**	**$ 11 757 928**	**$ 12 635 541**	**$ 13 419 035**
Total Assets	**$ 20 609 004**	**$ 22 689 890**	**$ 24 449 083**	**$ 27 090 512**	**$ 29 440 696**	**$ 32 245 951**
Liabilities:						
Current Liabilities:						
Current portion of long-term debt and bank borrowings	$ 2 773	$ 2 907	$ 5 337	$ 3 935	$ 3 935	$ 3 935
Accounts payable	$ 1 280 821	$ 1 525 065	$ 1 348 802	$ 1 419 635	$ 1 329 677	$ 1 247 340
Deferred revenues	$ 2 364 728	$ 2 669 520	$ 2 837 682	$ 2 770 104	$ 2 855 928	$ 2 934 481
Accrued payroll and related benefits	$ 4 040 751	$ 4 060 364	$ 4 569 172	$ 4 364 702	$ 4 624 379	$ 4 862 056
Accrued consumption taxes	$ 358 359	$ -	$ -	$ -	$ -	$ -
Income taxes payable	$ 362 963	$ 708 485	$ 497 885	$ 582 517	$ 475 034	$ 376 658
Deferred income taxes, net	$ -	$ -	$ -	$ -	$ -	$ -
Other accrued liabilities	$ 468 529	$ 857 938	$ 892 873	$ 878 834	$ 896 664	$ 912 983
Total Current Liabilities	**$ 8 878 924**	**$ 9 824 279**	**$ 10 151 751**	**$ 10 019 728**	**$ 10 185 617**	**$ 10 337 452**
Non-Current Liabilities:						
Long-term debt	$ 24 457	$ 22 163	$ 19 676	$ 15 741	$ 11 806	$ 7 870
Deferred revenues relating to contract costs	$ 754 812	$ 663 248	$ 618 124	$ 821 377	$ 822 602	$ 862 807
Retirement obligation	$ 1 494 789	$ 1 408 759	$ 1 410 656	$ 1 703 999	$ 1 753 389	$ 1 852 694
Deferred income taxes, net	$ 111 020	$ 137 098	$ 125 729	$ 198 555	$ 284 295	$ 317 628
Income taxes payable	$ 850 709	$ 574 780	$ 956 836	$ 971 999	$ 1 040 187	$ 1 107 032
Other non-current liabilities	$ 304 917	$ 349 363	$ 441 723	$ 427 445	$ 471 576	$ 511 938
Total Non-Current Liabilities	**$ 3 540 704**	**$ 3 155 411**	**$ 3 572 744**	**$ 4 139 117**	**$ 4 383 856**	**$ 4 659 970**
Total Liabilities	**$ 12 419 628**	**$ 12 979 690**	**$ 13 724 495**	**$ 14 158 844**	**$ 14 569 473**	**$ 14 997 422**
Equity:						
Retained Earnings	$ 6 218 240	$ 5 987 071	$ 6 376 242	$ 7 909 806	$ 9 148 458	$ 10 816 576
Share Capital	$ 1 337 022	$ 2 962 406	$ 3 988 511	$ 4 662 027	$ 5 362 929	$ 6 072 117
Minority Interest	$ 634 114	$ 760 723	$ 359 835	$ 359 835	$ 359 835	$ 359 835
Total Equity	**$ 8 189 376**	**$ 9 710 200**	**$ 10 724 588**	**$ 12 931 668**	**$ 14 871 223**	**$ 17 248 528**
Total Equity + Liabilities	**$ 20 609 004**	**$ 22 689 890**	**$ 24 449 083**	**$ 27 090 512**	**$ 29 440 696**	**$ 32 245 951**

Cash Flow (000's)						
Year	**FY16A**	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income	**$ 4 349 603**	**$ 3 634 932**	**$ 4 214 594**	**$ 4 820 519**	**$ 5 250 522**	**$ 5 702 625**
Adjustments to reconcile Net income to Net cash provided by	$ -	$ -	$ -	$ -	$ -	$ -
Depreciation, amortization and asset impairments	$ 729 052	$ 801 789	$ 926 776	$ 963 557	$ 997 562	$ 896 928
Reorganization costs (benefits), net	$ -	$ -	$ -	$ -	$ -	$ -
Share-based compensation expense	$ 758 176	$ 795 235	$ 976 908	$ 965 953	$ 1 038 447	$ 1 124 536
Pension settlement charge	$ -	$ 460 908	$ -	$ -	$ -	$ -
(Gain) loss on sale of businesses	$ (848 823)	$ 252	$ -	$ -	$ -	$ -
Deferred income taxes, net	$ 65 940	$ (364 133)	$ 94 000	$ (311 410)	$ (366 628)	$ (142 532)
Minority interest	$ -	$ -	$ -	$ -	$ -	$ -
Other, net	$ (53 706)	$ 88 123	$ 7 609	$ -	$ -	$ -
Change in assets and liabilities, net of acquisitions-	$ -	$ -	$ -	$ -	$ -	$ -
Receivables from clients, net	$ (177 156)	$ (169 714)	$ (476 041)	$ (171 691)	$ 218 048	$ 199 574
Unbilled services, current and non-current	$ (192 912)	$ 96 392	$ (234 763)	$ (73 891)	$ 93 841	$ 85 891
Other current and non-current assets	$ (655 876)	$ (415 568)	$ (510 102)	$ (36 184)	$ (85 692)	$ (80 388)
Accounts payable	$ 72 626	$ 173 712	$ (167 971)	$ (70 833)	$ 89 958	$ 82 337
Deferred revenues, current and non-current	$ 302 738	$ (38 954)	$ 176 853	$ 106 871	$ (117 394)	$ (76 515)
Accrued payroll and related benefits	$ 386 018	$ (117 725)	$ 646 416	$ 204 470	$ (259 677)	$ (237 677)
Income taxes payable, current and non-current	$ (158 970)	$ 15 721	$ 183 933	$ (69 469)	$ 175 671	$ 165 221
Other current and non-current liabilities	$ 90 690	$ 12 069	$ 188 479	$ 293 104	$ 75 692	$ 123 348
Net cash provided by operating activities	**$ 4 667 400**	**$ 4 973 039**	**$ 6 026 691**	**$ 6 620 997**	**$ 7 110 350**	**$ 7 843 348**
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from maturities and sales of available-for-sale inves	$ -	$ -	$ -	$ -	$ -	$ -
Purchases of available-for-sale investments	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from sales of property and equipment	$ 4 220	$ 10 263	$ 6 932	$ -	$ -	$ -
Purchases of property and equipment	$ (496 566)	$ (515 919)	$ (619 187)	$ (635 300)	$ (674 300)	$ (649 333)
Purchases of businesses and investments, net of cash acquire	$ (932 542)	$ (1 704 188)	$ (657 546)	$ (707 712)	$ (783 758)	$ (873 882)
Proceeds from sale of business, net of cash transferred	$ 814 538	$ (24 035)	$ 20 197	$ -	$ -	$ -
Net cash used in investing activities	**$ (610 350)**	**$ (2 233 879)**	**$ (1 249 604)**	**$ (1 343 012)**	**$ (1 458 058)**	**$ (1 523 215)**
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from issuance of common shares	$ 591 357	$ 676 045	$ 753 146	$ 673 516	$ 700 902	$ 709 188
Purchases of common shares	$ (2 604 989)	$ (2 649 051)	$ (2 639 094)	$ (2 586 531)	$ (2 619 916)	$ (2 623 648)
(Repayments of) proceeds from long-term debt, net	$ (1 059)	$ (2 120)	$ (4 195)	$ (3 935)	$ (3 935)	$ (3 935)
(Repayments of) proceeds from short-term borrowings, net	$ -	$ -	$ -	$ -	$ -	$ -
Cash dividends paid	$ (1 438 138)	$ (1 567 578)	$ (1 708 724)	$ (1 836 476)	$ (1 974 240)	$ (2 121 382)
Excess tax benefits from share-based payment arrangements	$ -	$ -	$ -	$ -	$ -	$ -
Other, net	$ (36 389)	$ (17 531)	$ (110 161)	$ -	$ -	$ -
Net cash used in financing activities	**$ (3 489 218)**	**$ (3 560 235)**	**$ (3 709 028)**	**$ (3 753 426)**	**$ (3 897 189)**	**$ (4 039 778)**
Effect of exchange rate changes on cash and cash equivalent:	$ (22 989)	$ 42 326	$ (133 559)	$ -	$ -	$ -
NET INCREASE IN CASH AND CASH EQUIVALENTS	**$ 544 843**	**$ (778 749)**	**$ 934 500**	**$ 1 524 559**	**$ 1 755 102**	**$ 2 280 356**
CASH AND CASH EQUIVALENTS, beginning of period	**$ 4 360 766**	**$ 4 905 609**	**$ 4 126 860**	**$ 5 061 360**	**$ 6 585 919**	**$ 8 341 022**
CASH AND CASH EQUIVALENTS, end of period	**$ 4 905 609**	**$ 4 126 860**	**$ 5 061 360**	**$ 6 585 919**	**$ 8 341 022**	**$ 10 621 377**

2) M-Score

Beneish M score Analysis				
Input Variables	**FY15**	**FY16**	**FY17**	**FY18**
Net sales	$ 31,874,678.94	$ 32,914,424.94	$ 34,797,661.94	$ 36,765,478.95
COGS	$ (22,190,212.00)	$ (23,105,185.00)	$ (24,520,234.00)	$ (25,734,986.00)
Net receivables	$ 1,797,888.00	$ 1,822,038.00	$ 2,027,424.00	$ 2,691,760.00
Current Assets	$ 11,579,394.00	$ 11,976,222.00	$ 12,097,289.00	$ 13,585,559.00
PP&E	$ 3,731,717.00	$ 4,565,979.00	$ 6,142,950.00	$ 6,647,032.00
Depreciation	$ (645,923.00)	$ (729,052.00)	$ (801,789.00)	$ (926,776.00)
Total Assets (TA)	$ 18,266,058.00	$ 20,609,004.00	$ 22,689,890.00	$ 24,449,083.00
SGA Expenses	$ (5,308,988.00)	$ (5,466,982.00)	$ (5,888,090.00)	$ (6,601,872.00)
Net Income	$ 3,053,581.94	$ 4,111,892.94	$ 3,445,149.95	$ 4,059,907.95
Cash Flow from Operations	$ 4,176,163.00	$ 4,667,400.00	$ 4,973,039.00	$ 6,026,691.00
Current Liabilities	$ 8,532,199.00	$ 8,878,924.00	$ 9,824,279.00	$ 10,151,751.00
Long-Term Debt	$ 25,587.00	$ 24,457.00	$ 22,163.00	$ 19,676.00
Working Capital - Cash - Depreciation	$ (667,648.00)	$ (1,079,259.00)	$ (1,052,061.00)	$ (700,776.00)
Variables to Calculate M Score				
DSRI - Day's Sales Receiables Index		0.98	1.05	1.26
GMI- Gross Margin Index		1.02	1.01	0.98
AQI- Asset Quality Index		1.22	0.99	0.88
SGI- Sales Growth Index		1.03	1.06	1.06
DEPI- Depreciation Index		1.10	1.27	0.93
SGAI- SGA expenses Index		1.03	1.08	1.12
LVGI- Leverage Index		0.85	0.82	0.82
Total Accruals / Total Assets		0.20	0.15	0.17
M score		**(1.38)**	**(1.59)**	**(1.44)**



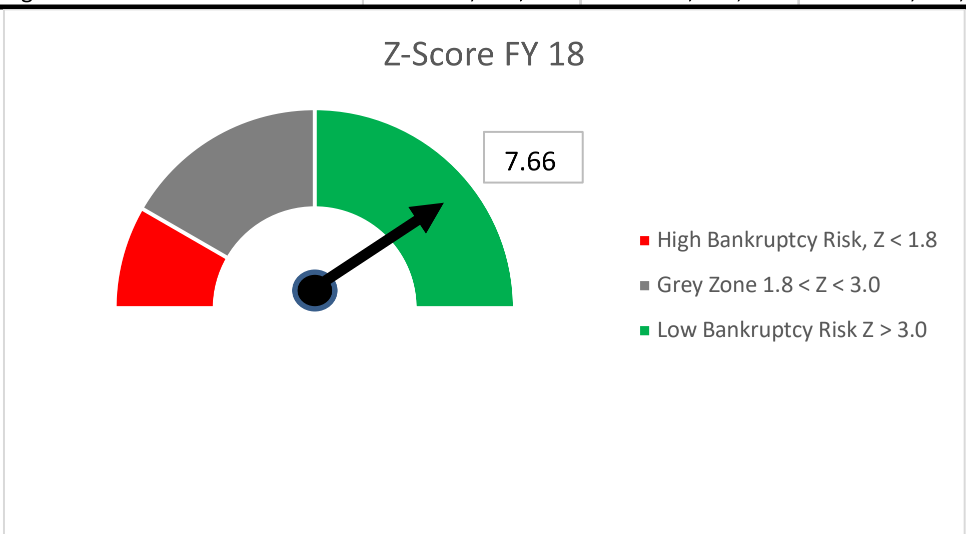
The Beneish's M-score analysis, created in 1999 by Dr. Messod Beneish, was used to verify ACN's earnings quality presented in their financial results. The M-score tries to detect earnings manipulation. The method accesses different line-items that in the past have been identified as areas of high risk for financial distortion or earnings manipulation. For interpretation purposes, an M-score lower than -2.22 indicates the firm is likely not manipulating earnings. However, an M-score greater than -2.22 indicates the firm is likely manipulating results.

The formula for the model is:
M-score = -4.84 + (0.92*DSRI) + (0.528*GMI) + (0.404*AQI) + (0.892*SGI) + (0.115*DEPI) – (0.172*SGAI) – (0.327*LVGI) + (4.679*Accruals to TA)

Based on the M-score results, Accenture's earnings appear to be fairly represented and unlikely to be manipulated by management.

3) Z-Score

Altman Z-score Analysis			
Input Variables	**FY16A**	**FY17A**	**FY18A**
Current Assets	$ 11,976,222.00	$ 12,097,289.00	$ 13,585,559.00
Current Liabilities	$ 8,878,924.00	$ 9,824,279.00	$ 10,151,751.00
Total Assets	$ 20,609,004.00	$ 22,689,890.00	$ 24,449,083.00
Retained Earnings	$ 6,218,240.00	$ 5,987,071.00	$ 6,376,242.00
Revenues	$ 34,797,661.94	$ 36,765,478.95	$ 41,603,428.95
Operating Income	$ 4,810,445.94	$ 4,632,609.95	$ 5,841,041.95
Market Capitalization	$ 71,851,749.30	$ 81,084,831.73	$ 106,252,336.02
Working Capital	$ 3,097,298.00	$ 2,273,010.00	$ 3,433,808.00
Derived Variables			
x1 working capital/ total assets	0.15	0.10	0.14
x2 Retained earnings/ total assets	0.30	0.26	0.26
x3 EBIT/ total assets	0.27	0.20	0.24
x4 Market cap / Total Liabilities	5.79	6.25	7.74
x5 revenue/ total assets	1.69	1.62	1.70
Z score	**6.66**	**6.52**	**7.66**
Share price at Aug31st	$ 115.00	$ 130.76	$ 169.07
Average # of shares	624,797,820	620,104,250	628,451,742

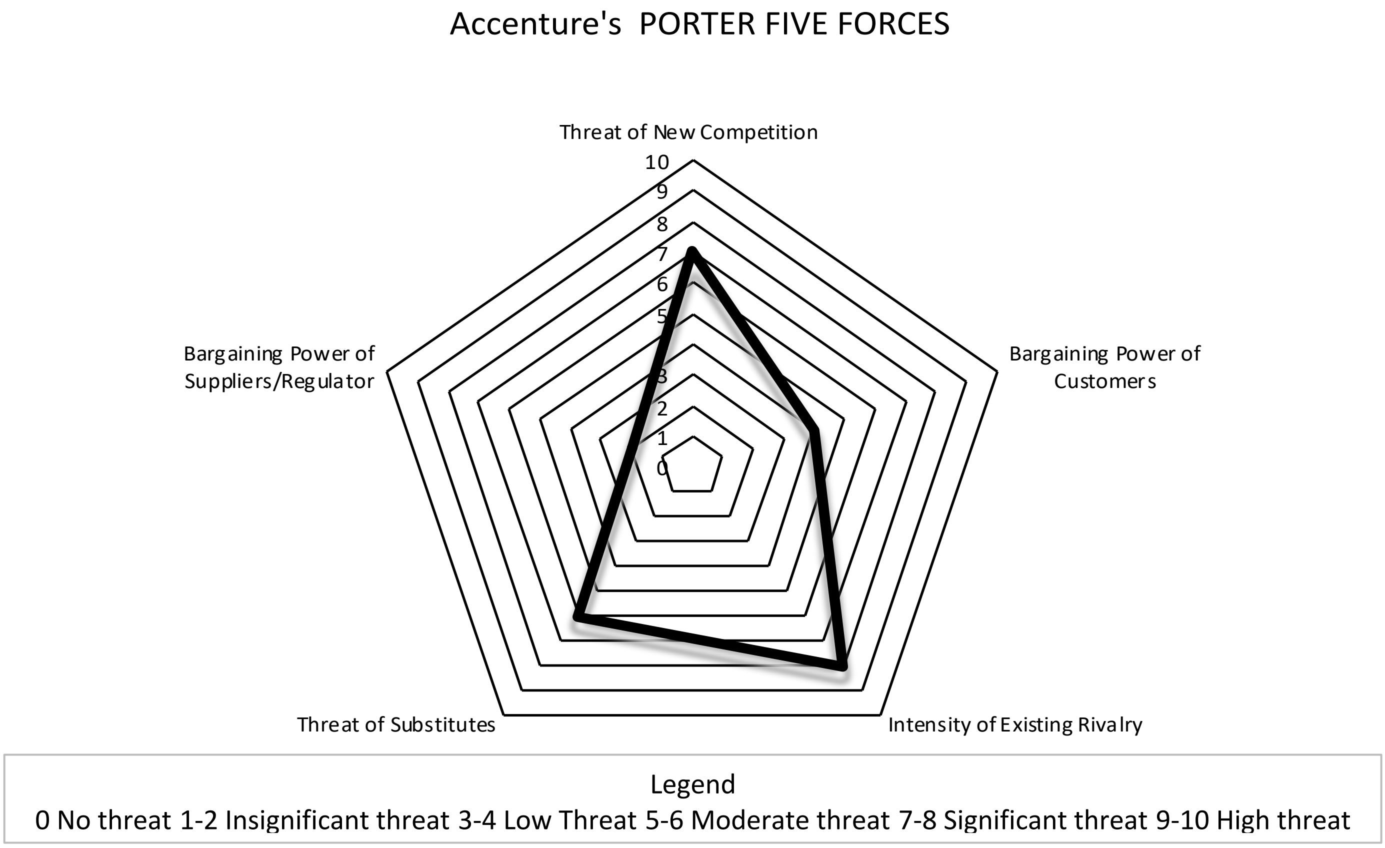


The Altman Z-score Analysis indicates a company's financial health and, consequently, the probability of the company filing for bankruptcy. With the specified formula, a score is calculated. A score below 1.80 indicates a firm that has a high probability of bankruptcy and a score of approximately of 3.00 indicates a firm with a low probability of bankruptcy.

The formula for the model is:
Z-Score = (1.2*X1) + (1.4*X2) + (3.3*X3) + (0.6*X4) + (1.0*X5)

Based on the Z-score results, Accenture seems to be in good financial health and highly unlikely to file for bankruptcy within the next 12 months.

4) Porter 5 Forces



Threat of Substitutes – Moderate Risk

The threat of substitutes is moderate for ACN as the majority of the services it provides are intangible. The consultancy service area represents the majority of Accenture's revenues and is differentiable in relation to its competitors. ACN's risk of substitutes arise more from its outsourcing business (43% of revenue), which are challenged by low-cost service providers, particularly in India.

Bargaining Power of Suppliers – Insignificant Threat

Most of ACN's costs are related to employee salaries. The purchase of supplies and equipment are negligible and no supplier accounts for more than 2.75% of cost of goods sold as per supply chain analysis function on Bloomberg (appendix 13).

Threat of New Competition – Significant Threat

As business needs change, new businesses and experts will appear to meet those needs. This can be in the form of in-house division of large companies, to niche market participants. ACN must continue to invest heavily in acquiring technological expertise either through acquisitions, partnerships or internal developments to maintain its current market position.

Bargaining Power of Customers – Low Threat

ACN's biggest client, the US government, only accounts for 6% of Accenture's revenues (appendix 13). Accenture's clients are vast and include many Fortune 500 companies. The loss of a single client could mean losing a billion-dollar contract, but

Accenture's $42.8 billion dollars of new bookings on file as of August 31st, 2018, means that a significant reduction in earnings can only be accomplished by the loss of the US government account.

Intensity of Existing Rivalry- Significant Threat

Similar to the threats of new competition, ACN also faces challenges from large multinational service providers and accounting firms that have the means to invest heavily into new technologies, close relationships with existing clients and the ability to cross-sell services. Thus, ACN must continue to invest heavily in acquiring technological expertise, either through acquisitions, partnerships or internal developments to maintain its current market position.

5) Multiples Valuation

NAME	TICKER	P/S	P/CF	P/E
ACCENTURE PLC-CL A	ACN	2.04	14.62	19.08
INTL BUSINESS MACHINES CORP	IBM	1.28	6.07	8.06
TATA CONSULTANCY SVCS LTD	TCS	4.58	23.55	21.37
COGNIZANT TECH SOLUTIONS-A	CTSH	2.12	13.37	13.66
INFOSYS LTD	INFO	3.27	18.77	16.87
CAPGEMINI SE	CAP	#N/A N/A	11.55	#N/A N/A
WIPRO LTD	WPRO	2.38	15.27	15.52
HCL TECHNOLOGIES LTD	HCLT	2.08	15.10	12.65
DXC TECHNOLOGY CO	DXC	0.70	5.74	6.11
CGI GROUP INC - CLASS A	GIB/A	1.84	15.14	17.05
GARTNER INC	IT	2.78	26.05	32.28
SAMSUNG SDS CO LTD	018260	1.42	12.21	21.85
FUJITSU LTD	6702	0.36	7.34	20.13
NOMURA RESEARCH INSTITUTE L	4307	#N/A N/A	13.75	#N/A N/A
Average		2.07	14.15	16.87

Ratio	Peer average	ACN Results	Ratio
Price to Sales	2.07	€ 41 603 428.95	$ 86 229 903.31
Price to Cash Flow	14.15	€ 6 026 691.00	$ 85 264 862.66
Price to Earnings	16.87	€ 4 059 907.95	$ 68 483 905.38
		Average	$ 79 992 890.45
	Actual FY18	Projected 19	Best Option 19
Shares Outstanding (000's)	628 451.74	614 690.04	589 079.93
Estimated Price Multiples	$ 127.29	$ 130.14	$ 135.79
Current Price (USD)	$ 139.01	$ 139.01	$ 139.01
Projected Return	-8%	-6%	-2%

6) EBITDA & WACC Peer Analysis

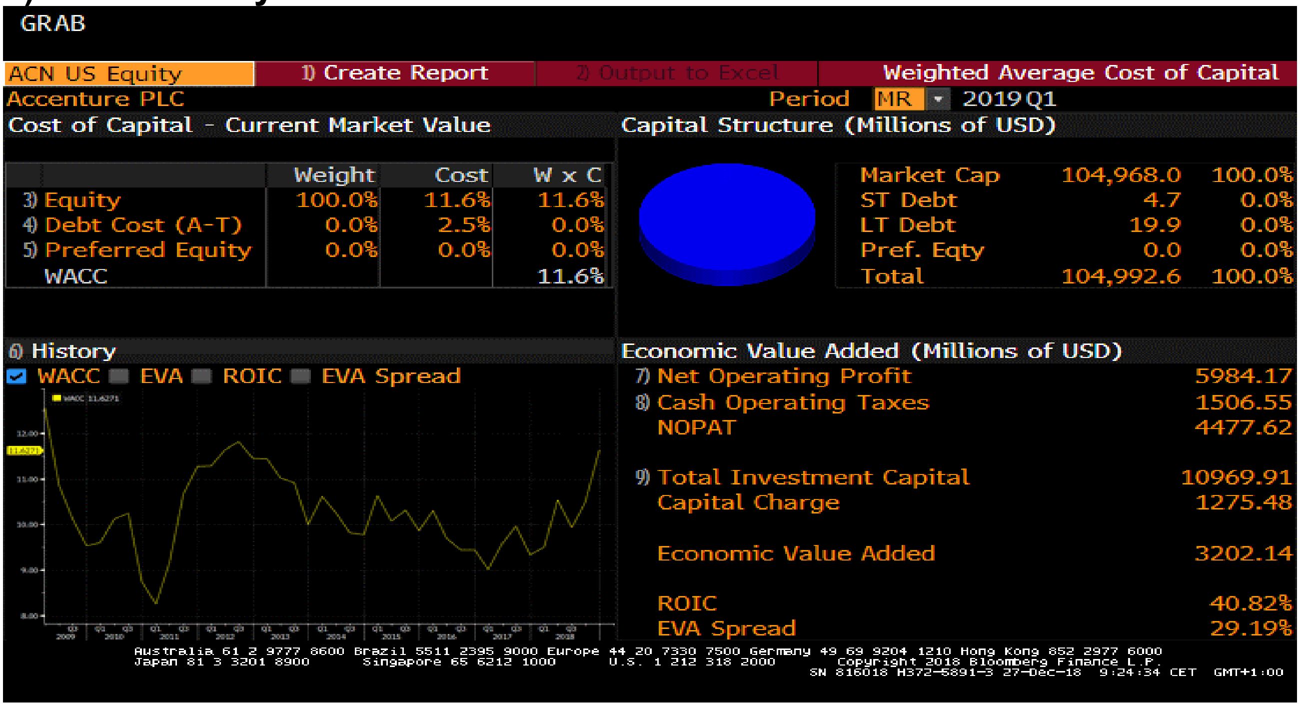
Ticker	EV/EBITDA	WACC
ACN US Equiy	11.62	11.6%
IBM US Equity	6.54	8.9%
TCS IN Equity	15.69	10.1%
CTSH US Equity	8.28	10.4%
INFO IN Equity	11.71	10.0%
CAP FP Equity	#N/A N/A	10.2%
WPRO IN Equity	10.46	9.1%
HCLT IN Equity	8.48	9.5%
DXC US Equity	3.97	9.7%
9613 JP Equity	#N/A N/A	7.0%
GIB/A CN Equity	10.60	9.4%
IT US Equity	17.86	10.4%
018260 KS Equity	9.48	15.9%
6702 JP Equity	5.81	6.4%
4307 JP Equity	#N/A N/A	10.0%
Average	**9.90**	**9.79%**
IQR	**5.17**	**1.2%**
Up Limit	**19.47**	**12.1%**

$$Premium = \frac{ACN\ EV\ to\ EBITDA\ Ratio}{Average\ EV\ to\ EBTDA\ Ratio} - 1$$

$$Premium = \frac{11.62}{9.9} - 1$$

$$Premium = 17.37\%$$

7) WACC Analysis



	Weight	Cost	W x C
3) Equity	100.0%	11.6%	11.6%
4) Debt Cost (A-T)	0.0%	2.5%	0.0%
5) Preferred Equity	0.0%	0.0%	0.0%
WACC			11.6%

Market Cap	104,968.0	100.0%
ST Debt	4.7	0.0%
LT Debt	19.9	0.0%
Pref. Eqty	0.0	0.0%
Total	104,992.6	100.0%

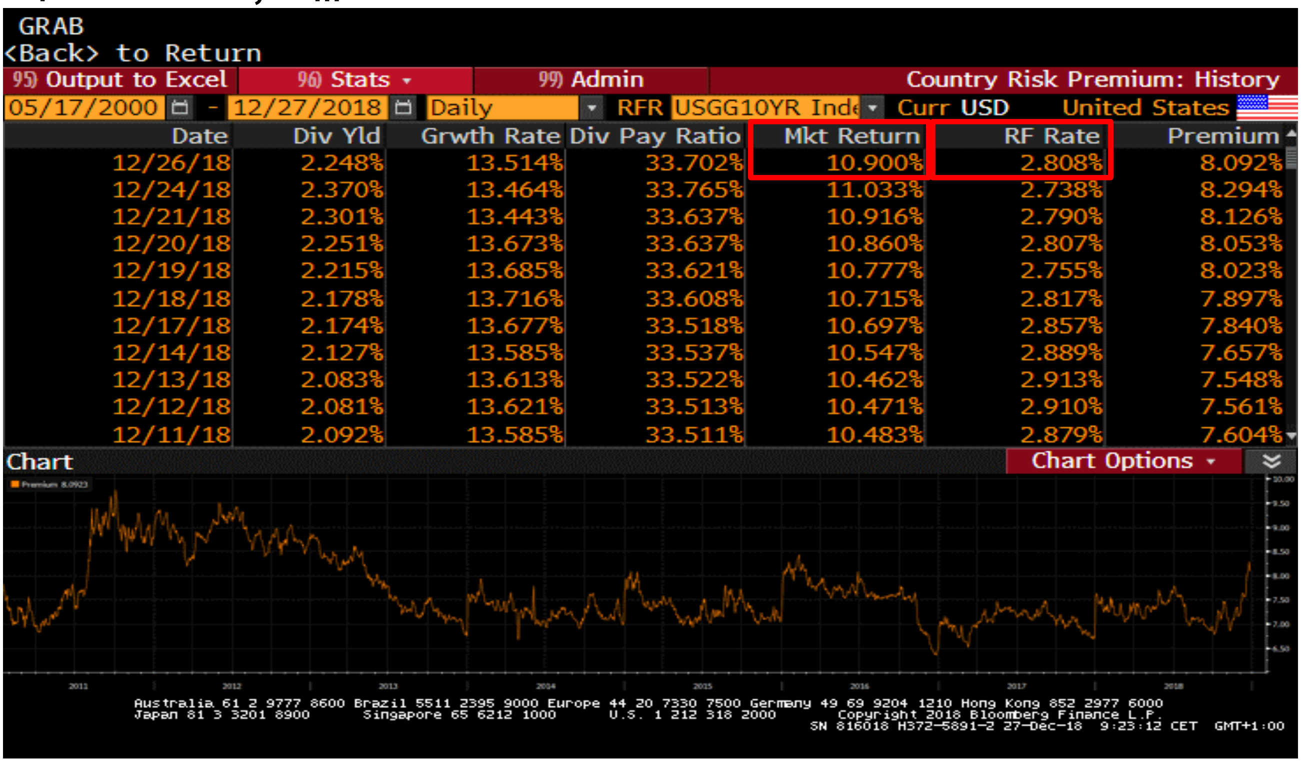
7) Net Operating Profit	5984.17
8) Cash Operating Taxes	1506.55
NOPAT	4477.62
9) Total Investment Capital	10969.91
Capital Charge	1275.48
Economic Value Added	3202.14
ROIC	40.82%
EVA Spread	29.19%

$$WACC = R_f + \beta(R_M - R_f)$$

=11.63%

β= 1.09 ACN & SPX 26/12/2015-26/12/2018

R_f= 2.808%, R_m=10.9%



Date	Div Yld	Grwth Rate	Div Pay Ratio	Mkt Return	RF Rate	Premium
12/26/18	2.248%	13.514%	33.702%	10.900%	2.808%	8.092%
12/24/18	2.370%	13.464%	33.765%	11.033%	2.738%	8.294%
12/21/18	2.301%	13.443%	33.637%	10.916%	2.790%	8.126%
12/20/18	2.251%	13.673%	33.637%	10.860%	2.807%	8.053%
12/19/18	2.215%	13.685%	33.621%	10.777%	2.755%	8.023%
12/18/18	2.178%	13.716%	33.608%	10.715%	2.817%	7.897%
12/17/18	2.174%	13.677%	33.518%	10.697%	2.857%	7.840%
12/14/18	2.127%	13.585%	33.537%	10.547%	2.889%	7.657%
12/13/18	2.083%	13.613%	33.522%	10.462%	2.913%	7.548%
12/12/18	2.081%	13.621%	33.513%	10.471%	2.910%	7.561%
12/11/18	2.092%	13.585%	33.511%	10.483%	2.879%	7.604%

8) DCF Valuation

Perpetuity Growth Method - Value per Share			
Free Cash Flow at Year 5			7 146 457
WACC			11.6%
Perpetuity Growth Rate			3.7%
Perpetuity Value at End of Year 5			93 473 937
Present Value of Perpetuity (@ 11.6% WACC)			53 928 628
(+) Present Value of Free Cash Flows (@ 11.6% WACC)			23 386 140
(=) Current Enterprise Value			**77 314 768**
Short Term Debt			5
(+) Long Term Debt			20
(-) Cash and Marketable Securities			5 065
(-) Current Net Debt			(5 040)
(-) Current Preferred and Minority Interest			360
(=) Equity Value			77 319 448
	Year Ended 18	Projected 19	Max 19
Shares outstanding	628 452	614 690	589 080
Estimated Value per Share (USD)	**123.03**	**125.79**	**131.25**
Current Price (USD)	139.01	139.01	139.01
Projected Return	**-11%**	**-10%**	**-6%**

9) DCF Sensitivity Analysis

Perpetuity Growth Method	
Current Price (USD)	139.01
DCF Estimated Value per Share (USD)	**125.79**
DCF Projected Return	**-10%**

		Perpetuity Growth				
		2.7%	**3.2%**	**3.7%**	**4.2%**	**4.7%**
	10.6%	$ 129.80	$ 136.39	$ 143.93	$ 152.64	$ 162.82
Discount	**11.1%**	$ 122.07	$ 127.77	$ 134.24	$ 141.65	$ 150.21
Rate	**11.6%**	$ 115.21	$ 120.18	$ 125.79	$ 132.14	$ 139.42
(WACC)	**12.1%**	$ 109.09	$ 113.45	$ 118.34	$ 123.84	$ 130.09
	12.6%	$ 103.59	$ 107.45	$ 111.74	$ 116.54	$ 121.94
		2.7%	**3.2%**	**3.7%**	**4.2%**	**4.7%**
	10.6%	-7%	-2%	4%	10%	17%
	11.1%	-12%	-8%	-3%	2%	8%
	11.6%	-17%	-14%	-10%	-5%	0%
	12.1%	-22%	-18%	-15%	-11%	-6%
	12.6%	-25%	-23%	-20%	-16%	-12%

10) EDITDA Multiple Valuation

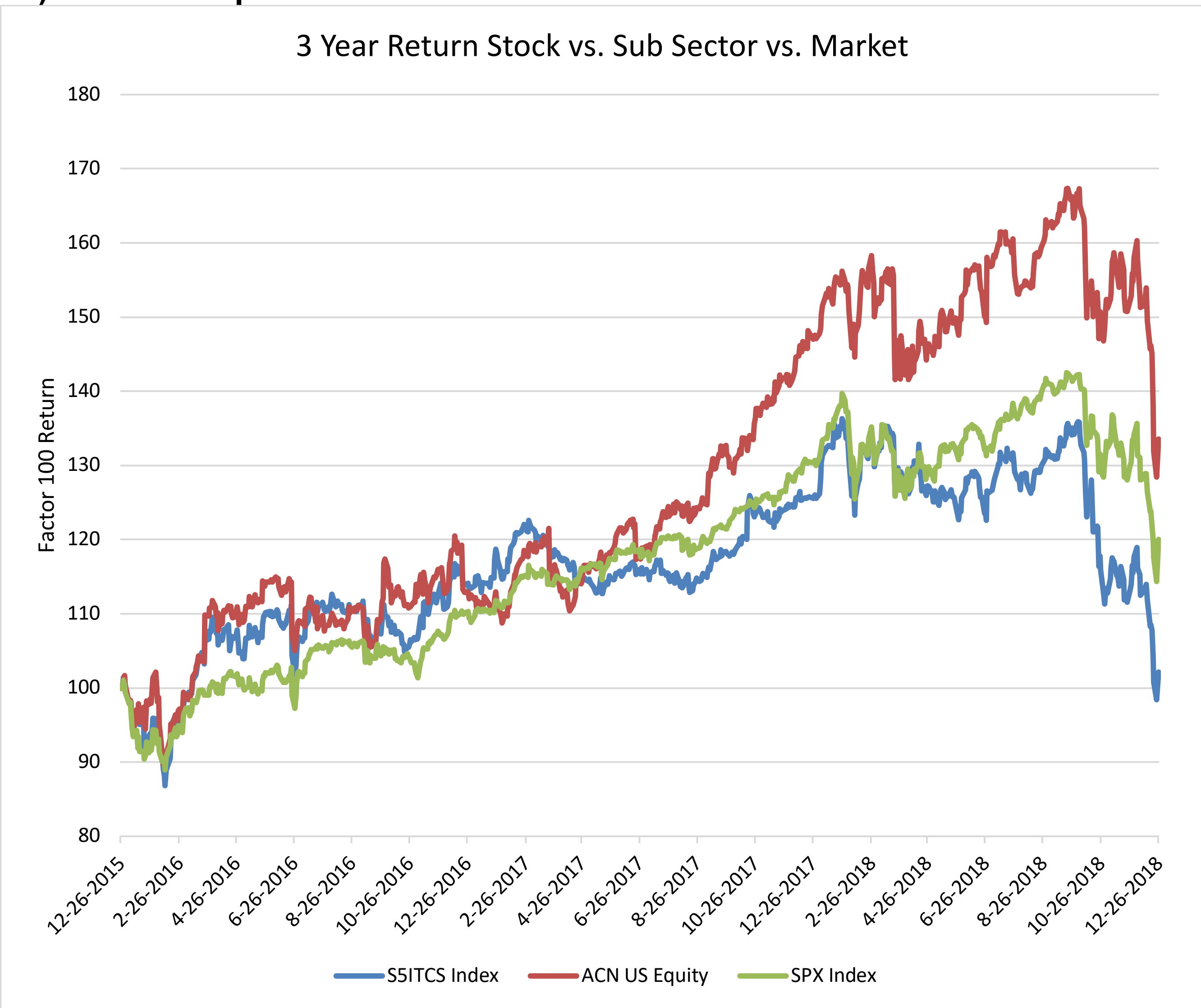
EBITDA Multiple Method - Value per Share			
Terminal EBITDA at Year 5			10 018 258
WACC			11.6%
Exit Enterprise Value / EBITDA			11.6x
Terminal Value at End of Year 5			116 412 164
Present Value of Terminal Value (@ 11.6% WACC)			67 162 553
(+) Present Value of Free Cash Flows (@ 11.6% WACC)			23 386 140
(=) Current Enterprise Value			**90 548 693.1**
Short Term Debt			5
(+) Long Term Debt			20
(-) Cash and Marketable Securities			5 065
(-) Current Net Debt			(5 040)
(-) Current Preferred and Minority Interest			360
(=) Equity Value			90 553 373
	Year Ended 18	Projected 19	Max 19
Shares outstanding	628 452	614 690	589 080
Estimated Value per Share (USD)	**144.09**	**147.32**	**153.72**
Current Price (USD)	139.01	139.01	139.01
Projected Return	**4%**	**6%**	**11%**

11) EDITDA Multiple Sensitivity Analysis

EBITDA Multiple Method	
Current Price (USD)	139.01
EBITDA Multiple Estimated Value per Share (USD)	**147.32**
EBITDA Multiple Projected Return	**6%**

		Terminal EBITDA Multiple				
		8.6x	**10.1x**	**11.6x**	**13.1x**	**14.6x**
	10.6%	**$ 123.69**	**$ 138.45**	**$ 153.20**	**$ 167.95**	**$ 182.71**
Discount	**11.1%**	**$ 121.37**	**$ 135.80**	**$ 150.22**	**$ 164.64**	**$ 179.07**
Rate	**11.6%**	**$ 119.11**	**$ 133.21**	**$ 147.32**	**$ 161.42**	**$ 175.52**
(WACC)	**12.1%**	**$ 116.90**	**$ 130.69**	**$ 144.48**	**$ 158.28**	**$ 172.07**
	12.6%	**$ 114.75**	**$ 128.24**	**$ 141.73**	**$ 155.21**	**$ 168.70**
		8.6x	**10.1x**	**11.6x**	**13.1x**	**14.6x**
	10.6%	**-11%**	**0%**	**10%**	**21%**	**31%**
	11.1%	**-13%**	**-2%**	**8%**	**18%**	**29%**
	11.6%	**-14%**	**-4%**	**6%**	**16%**	**26%**
	12.1%	**-16%**	**-6%**	**4%**	**14%**	**24%**
	12.6%	**-17%**	**-8%**	**2%**	**12%**	**21%**

12) Return Graph

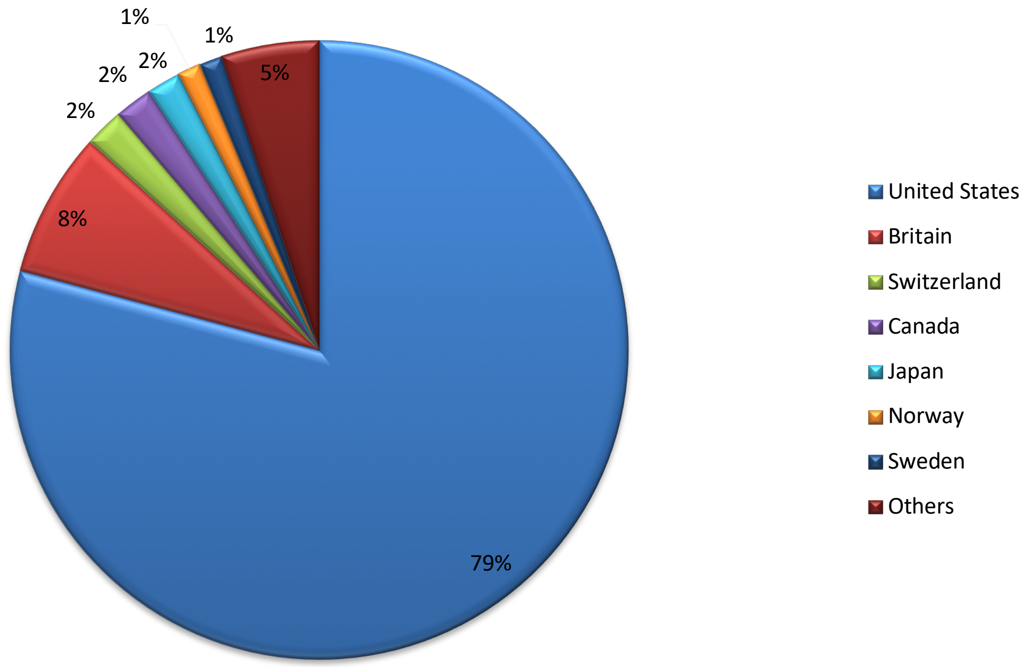


13) Ratios

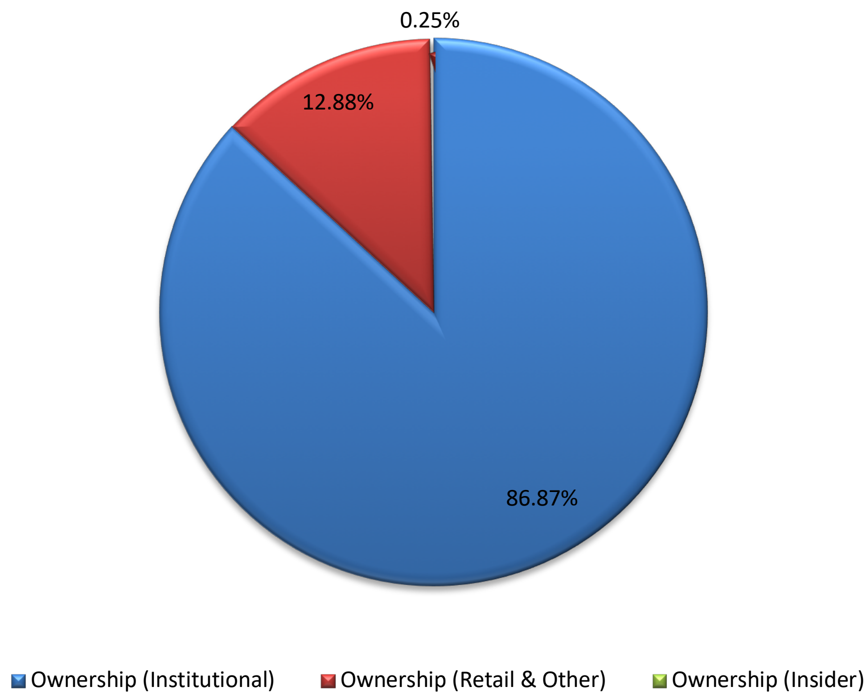
ACN - Ratios						
Operational & Financial Ratios	**FY16A**	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
Diluted Earnings Per Share (USD)	$ 6.45	$ 5.44	$ 6.34	$ 7.18	$ 7.81	$ 8.48
Diluted Book Value Per Share (U$	12.02	14.24	16.49	19.60	22.10	25.04
Tax Rate (%)	22.38%	21.25%	27.44%	24.73%	24.38%	24.02%
Profitability Ratios	**FY16A**	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
Gross Margin (%)	29.53%	30.00%	29.91%	30.98%	30.99%	30.91%
EBITDA Margin (%)	13.82%	12.60%	14.04%	14.67%	14.87%	15.02%
EBIT Margin (%)	16.06%	12.49%	13.87%	14.50%	14.71%	14.85%
Net Profit Margin (%)	11.82%	9.37%	9.76%	10.68%	10.87%	11.03%
Performance Ratios	**FY16A**	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
Return on Equity (%)	60.08%	41.75%	42.04%	40.75%	37.70%	35.54%
Return on Capital Employed (%)	47.65%	35.70%	40.37%	37.69%	36.37%	34.70%
Return on Invested Capital (%)	58.27%	40.30%	40.89%	40.29%	37.51%	35.44%
Sales/Working Capital (x)	11.23	16.17	12.12	8.83	7.91	6.86
Efficiency Ratios	**FY16A**	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
Receivable Days	43	45	44	44	40	37
Inventory Days	-	-	-	-	-	-
Payable Days	13	15	12	12	11	10
Growth Ratios	**FY16A**	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
Net Sales Growth (%)	5.72%	5.66%	13.16%	4.00%	5.00%	5.00%
EBITDA Growth (%)	8.44%	-3.70%	26.09%	8.68%	6.43%	6.06%
EBIT Growth (%)	27.29%	-17.81%	25.64%	8.72%	6.53%	5.98%
NI Growth (%)	34.66%	-16.21%	17.84%	13.81%	6.88%	6.58%
Financial Stability Ratios	**FY16A**	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
Total Debt/Equity (x)	0.00	0.00	0.00	0.00	0.00	0.00
Debt Burden (x)	0.01	0.00	0.00	0.00	0.00	0.00
Current Ratio (x)	1.35	1.23	1.34	1.49	1.56	1.67
Quick Ratio (x)	1.25	1.12	1.24	1.39	1.46	1.57

14) Ownership Structure

Geographic Ownership Distribution



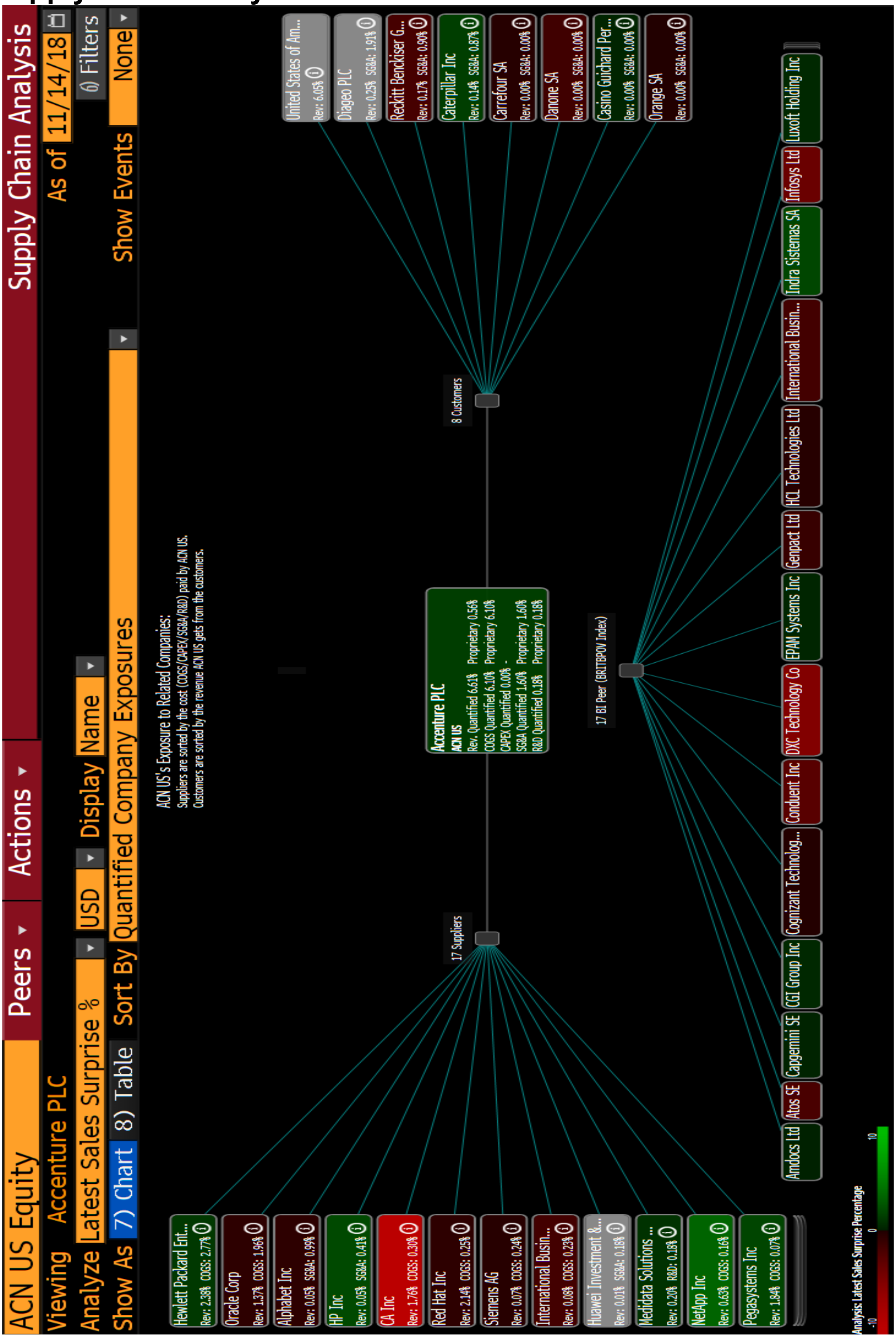
Ownership Statistics



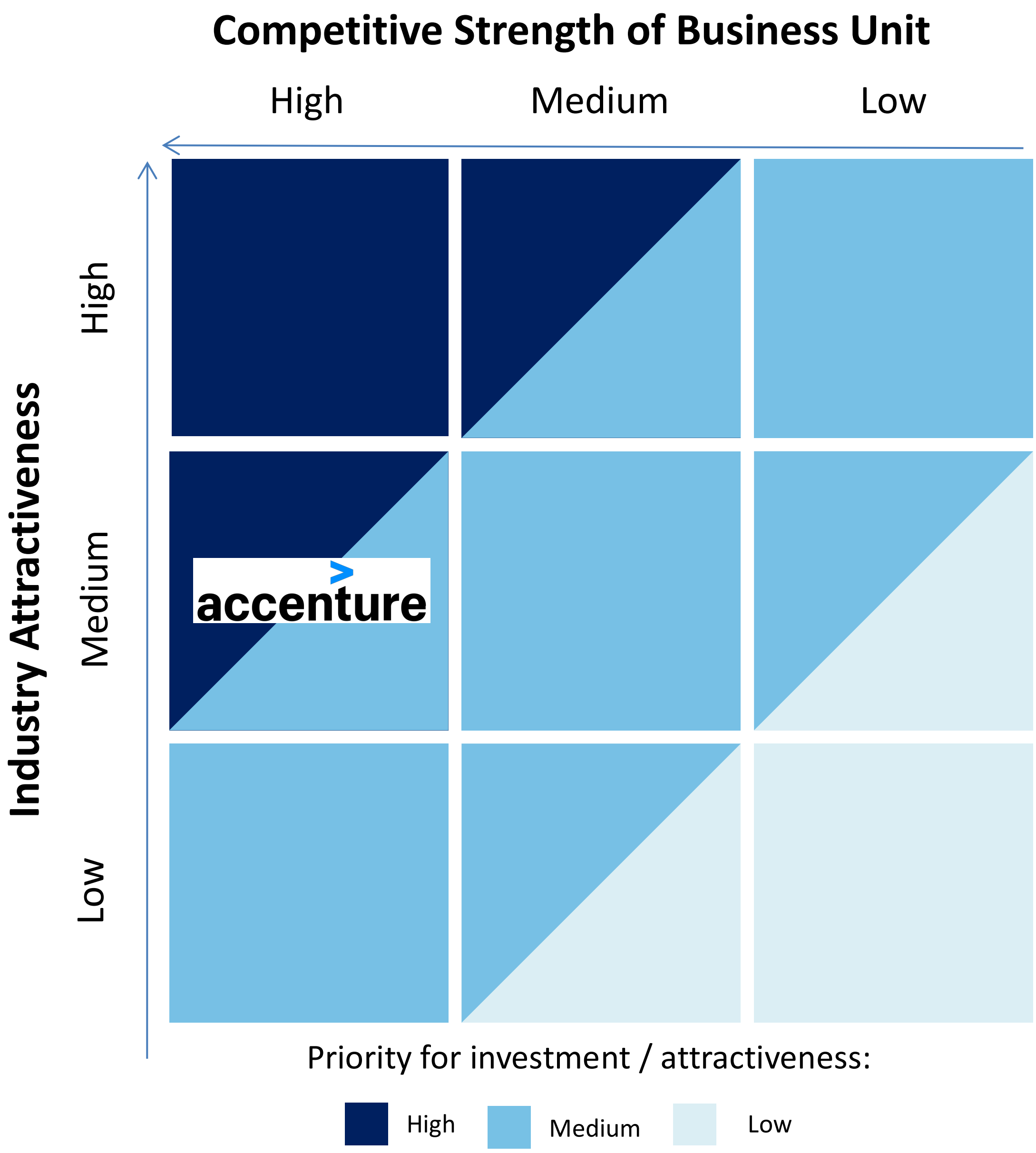
Top 20 Owners:			
Holder Name	Position	Market Value	Ownership
VANGUARD GROUP	52,488,896	$ 8,474,332,259.20	8.22%
BLACKROCK	42,556,497	$ 6,870,746,440.65	6.67%
SUN LIFE FINANCIAL I	36,196,712	$ 5,843,959,152.40	5.67%
CAPITAL GROUP COMPAN	31,045,669	$ 5,012,323,260.05	4.86%
STATE STREET CORP	25,717,284	$ 4,152,055,501.80	4.03%
WELLINGTON MANAGEMEN	15,456,239	$ 2,495,409,786.55	2.42%
BANK OF NEW YORK MEL	11,792,482	$ 1,903,896,218.90	1.85%
MORGAN STANLEY	11,482,114	$ 1,853,787,305.30	1.80%
UBS	10,461,159	$ 1,688,954,120.55	1.64%
NORTHERN TRUST CORPO	9,808,588	$ 1,583,596,532.60	1.54%
FRANKLIN RESOURCES	9,058,141	$ 1,462,436,864.45	1.42%
JPMORGAN CHASE & CO	8,459,852	$ 1,365,843,105.40	1.33%
GEODE CAPITAL MANAGE	8,063,349	$ 1,301,827,696.05	1.26%
BANK OF AMERICA CORP	7,231,105	$ 1,167,461,902.25	1.13%
WELLS FARGO & COMPAN	6,553,234	$ 1,058,019,629.30	1.03%
WCM INVESTMENT MANAG	5,905,897	$ 953,507,070.65	0.93%
GOVMT PENSION INVST	5,683,535	$ 917,606,725.75	0.89%
NORGES BANK	5,675,948	$ 916,381,804.60	0.89%
POLEN CAPITAL MANAGE	5,160,737	$ 833,200,988.65	0.81%
FMR LLC	4,612,406	$ 744,672,948.70	0.72%
Totals	**313,409,844**	**$50,600,019,313.80**	**49.11%**

Top 5 Insiders:			
Holder Name	Position	Market Value	Ownership
NANTERME PIERRE	267,754	$ 43,228,883.30	0.04%
OLLAGNIER JEAN-MARC	211,375	$ 34,126,493.75	0.03%
VAN 'T NOORDEN ALEXANDER M	125,260	$ 20,223,227.00	0.02%
LUMB RICHARD A	119,983	$ 19,371,255.35	0.02%
ROHLEDER STEPHEN J	109,451	$ 17,670,863.95	0.02%
Totals	**833,823**	**$ 134,620,723.35**	**0.13%**

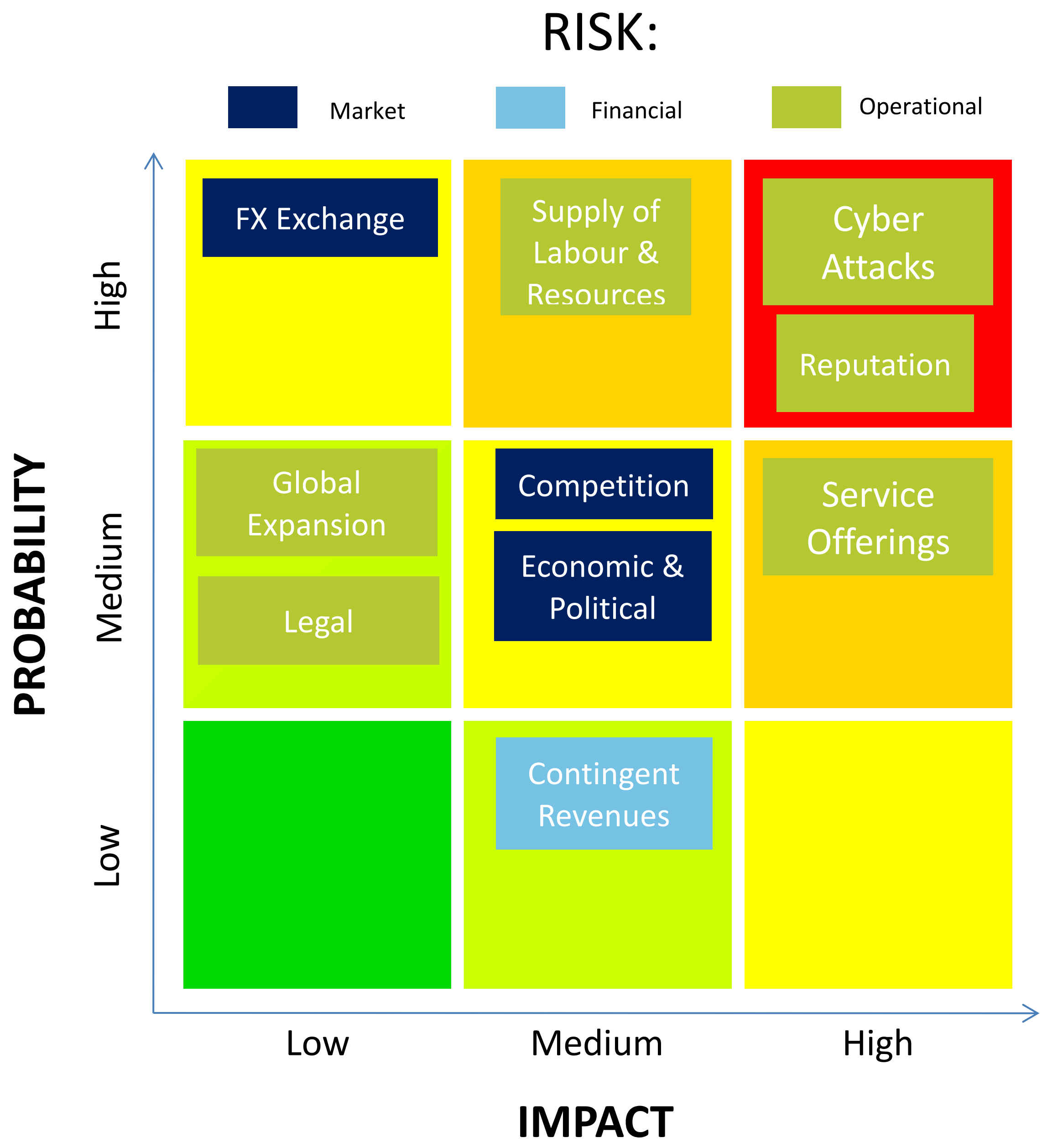
15) Supply Chain Analysis



16) McKinsey Matrix



17) Risk Matrix



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Buy	Expected total return (including expected capital gains and expected dividend yield) of more than 10% over a 12-month period.
Hold	Expected total return (including expected capital gains and expected dividend yield) between 0% and 10% over a 12-month period.
Sell	Expected negative total return (including expected capital gains and expected dividend yield) over a 12-month period.

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