ACN gideon lens

■# Accenture (ACN) - Gideon-Lens Equity Research

Date: 2026-06-28. Analyst: Codex ER2. Price anchor: $128.98, latest available market quote from Friday, 2026-06-26 because this run occurred on Sunday, 2026-06-28. Market cap anchor: roughly $79B from the source stockscreen report. Fiscal year end: August 31.

VERDICT BLOCK

Verdict: WATCH

Scorecard:

Gate	Result	Notes
Management	PASS	Sweet stewardship, clean governance, strong cash return, M&A monitor
Moat	YELLOW	Real trust and switching costs; 2046 test remains unresolved
P/E <= 15 on confident EPS at TTM + 5 calendar years	PASS	Base EPS cushion about 100% at $128.98
Compounder Score	Audited 58 / 100	Diagnostic Reject; not dream-investment evidence under 20% rubric
Business Quality Score	Audited 52 / 80	High ROIC but incomplete ROIIC and acquisition proof
20% Return UW Score	Audited 6 / 20	Base IRR about 9.9%; 20% needs lower price or stronger EPS

One-line thesis (or reason to pass): Accenture is statistically cheap versus the ER2 P/E 15 hurdle, but the report stops at WATCH because AI-era durability, acquisition-inclusive ROIIC, and direct pricing-power evidence are not strong enough for a clean Gideon BUY.

Kill / trigger criteria:

- BUY trigger: price below $129 only if the next two reported quarters show Americas local-currency growth above 1%, consolidated operating margin at or above 14.0%, and acquisition commentary that preserves ROIC discipline.
- PASS triggers: Americas local-currency growth <=1% and consolidated operating margin <14.0% for the next two reported quarters; evidence that managed-services repricing is compressing margins; FY2026 acquisition deployment fails to show retention, margin, or ROIIC proof by the next investor day.
- Upgrade to BUY conditions: moat improves from YELLOW to PASS through visible pricing power, stable or rising acquisition-inclusive ROIC, and proof that AI expands client wallet faster than it compresses delivery economics.

Position sizing if bought: 0% today under this WATCH verdict; if upgraded, cap at 2% of equity book until moat and acquisition-return evidence mature.

Stage 0 - Time Anchor

Today is 2026-06-28. Accenture's fiscal year ends on August 31. The most recently reported quarter is Q3 FY2026, ended May 31, 2026. The TTM anchor is Q4 FY2025 plus Q1 FY2026, Q2 FY2026, and Q3 FY2026, producing a TTM ending May 31, 2026. The forward horizon is exactly five calendar years from that TTM end date: May 31, 2031. All "FY+5" language in this report means that TTM+5 calendar-year horizon, not six fiscal years from the last annual report.

Stage 1 - Disqualifier Sweep

The initial disqualifier sweep had no red gate. ROIC was green because Accenture still clears the 15% threshold, though the data package shows ROIC falling from the low 40s to the high 20s as capital and acquisition intensity rise. FCF conversion was green: the company remains highly cash generative, with FY2025 free cash flow of roughly $10.9B and low capex

intensity. Leverage was green because the balance sheet is not the core risk. End-market durability was yellow: enterprise technology, cloud, cyber, data, AI, and managed services remain structurally relevant, but discretionary consulting is soft and Q3 FY2026 bookings were not uniformly strong. Governance was green. AI disruption was yellow because AI is both demand creation and delivery compression. Pricing power was yellow because direct price, churn, utilization, and renewal data are not disclosed.

Management

Management clears the ER2 gate. Julie Sweet has been CEO since 2019 and owns the current strategic shape of Accenture: cloud, data, AI, cyber, managed services, ecosystem partnerships, and acquisition-led capability building. The management appendix rates the gate PASS because stewardship has been coherent, governance is clean, cash returns have been large, and disclosure is generally candid. The key caveat is not character or governance; it is capital allocation. FY2026 acquisition deployment is stepping up toward roughly $9B, with cybersecurity and network-intelligence deals meant to deepen capability. That can be strategically right, but it also makes acquisition-inclusive ROIIC a live underwriting issue. Angie Park is an internal CFO succession with limited public CFO record so far. Compensation and board structure do not create a blocking concern, but ownership is not founder-like. The management gate passes, with FY2026 M&A integration and returns as the main monitor.

Moat

The moat gate is YELLOW, not PASS. Accenture has real advantages: high-trust enterprise procurement, global delivery scale, relationships with major technology ecosystems, domain expertise, and managed-services switching costs. These are not imaginary advantages, and they explain why the company can maintain mid-teens operating margins at very large scale. But this is not a software-like moat. The same technology partners that drive demand can also automate or commoditize parts of delivery. Clients can use AI to reduce billable labor, build internal capability centers, or push more work toward outcome-based pricing. The 2046 test is credible only if Accenture remains the orchestration layer for complex enterprise reinvention rather than becoming a lower-margin labor transformer. That future is plausible but not proven. Because YELLOW means "investable but unresolved," the verdict can remain WATCH, but it cannot be a clean BUY.

Stage 5 Synthesis

The synthesis is the strongest part of the BUY argument. It passed 11 of 11 arithmetic tie-out checks. The segment build uses the reviewed geographic operating segments. In the base case, Americas reaches $44.479B of TTM+5y revenue at a 15.9% operating margin, EMEA reaches $33.116B at 12.8%, and Asia Pacific reaches $13.539B at 16.8%. Combined base-case revenue is $91.134B and combined operating income is $13.581B. With a 75.0% OI-to-net-income conversion and an explicit share-count path from 632.4M to 592.3M diluted shares, base-case TTM+5y net income is $10.186B and EPS is $17.20.

At the $128.98 price anchor, required EPS for a P/E of 15 is $8.60. The base case therefore has about a 100% P/E 15 cushion. That is why the valuation gate passes. Even after a skeptical red-team pass, the five-year P/E 15 case survives. The bear/base/bull spread is also sensible: the model does not require bull cases across all segments to clear the ER2 price gate. The problem is not arithmetic. The problem is whether the business deserves a Gideon BUY given only YELLOW durability and a diagnostic score that says the current price does not underwrite a 20% annualized compounder.

Case	Revenue	OI	NI	EPS	EPS x 15	Price Cushion
Bear	$79.794B	$10.574B	$7.931B	lower than base	above P/E 15 line in model	positive but thinner
Base	$91.134B	$13.581B	$10.186B	$17.20	$258.00	about 100%
Bull	$99.997B	$15.704B	higher than base	higher than base	materially above current price	large

Red Team

The red team does not break the P/E 15 case, but it does break any casual "20% compounder" claim. The strongest bear argument is that Accenture can remain relevant while clients, platform vendors, and AI-native delivery capture the productivity surplus. In that outcome, revenue can still grow, but operating income, ROIIC, and pricing power dilute. The most likely optimistic Stage 5 number is base EPS of $17.20 because it combines mid-single-digit growth, margin stability, and buybacks while FY2026 M&A deployment is stepping up. The single exit signal is concrete: over the next two reported quarters, Americas local-currency growth <=1% and consolidated operating margin <14.0%. That combination would suggest the

largest segment and the consolidated model are both losing the margin-of-safety narrative.

Kill / Trigger Criteria

- Upgrade to BUY only if the moat evidence improves: pricing power becomes observable, acquisition-inclusive ROIC stabilizes, and AI-related demand is shown to offset delivery compression.
- Keep WATCH if valuation remains attractive but Americas growth, consulting demand, and M&A returns remain mixed.
- Downgrade to PASS if the next two reported quarters show Americas local-currency growth <=1% and consolidated operating margin <14.0%, or if FY2026 acquisition deployment pushes ROIC lower without segment-level evidence of payback.

Analyst Flags

The report has several important data gaps. Accenture does not disclose product SKU revenue, GenAI revenue, service-line operating income, industry-group operating income, segment bookings, utilization, delivery margins, churn, renewal pricing, or direct price/mix. The data package and segment appendices label those as true non-disclosures rather than filling them with fabricated estimates. The audited Compounder Score is 58/100 and diagnostic Reject, with Business Quality 52/80 and 20% Return Underwriting 6/20. That diagnostic score is not an ER2 gate, but it is an important warning: ACN can clear the five-year P/E 15 test and still fail Gideon's dream-investment standard. The clean conclusion is WATCH: valuation is compelling, but the qualitative and return-underwriting evidence is not yet strong enough for BUY.

Appendix A - Company Primer

Appendix A - Business Primer: Accenture

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Role of this appendix: reader-facing business primer, not the primary quantitative source for downstream modeling.

Source Discipline And Time Anchor

This primer uses `quant_foundation.md` as the controlling source for all historical financial figures. The relevant source rows are called out directly as QF P1, P2, P3, P4, P5, or P6. The QFR final review cleared the foundation with `QUANT FOUNDATION VERIFIED - CLEARED FOR WAVE 1`, so the figures below should orient the reader, but downstream ER2 agents should still source numbers from the quantitative foundation and data package rather than from this primer.

The Stage 0 anchor is: fiscal year ends August 31; latest quarter is Q3 FY2026 ended May 31, 2026; TTM is Q4 FY2025 plus Q1 FY2026 plus Q2 FY2026 plus Q3 FY2026, ending May 31, 2026; the forward horizon is May 31, 2031. The data package existed only as a 104-byte stub when this primer was prepared, so qualitative context was refreshed from live FMP, Accenture investor/newsroom pages, SEC EDGAR filings, and Accenture's Q3 FY2026 earnings materials rather than from cached warehouse files.

Live-source checks used for context: FMP `profile`, `quote`, and `revenue-product-segmentation` endpoints for ACN; SEC EDGAR FY2025 Form 10-K, Q1-Q3 FY2026 Forms 10-Q, and the Q3 FY2026 8-K earnings exhibit; Accenture Investor Relations and newsroom pages. The live IR page describes Accenture as a company that helps enterprises build a digital core and use AI to create value at scale, with approximately 9,000 clients and roughly $70 billion of FY2025 revenue. Accenture's newsroom Q3 FY2026 release says the company delivered solid revenue, profitability, EPS growth, and free cash flow, while narrowing FY2026 local-currency revenue growth guidance to 3% to 4%, or 4% to 5% excluding an estimated U.S. federal impact.

Business Overview

Accenture is a global professional services company. Its economic function is to help large enterprises and public-sector organizations design, build, modernize, and operate business and technology capabilities. A simplified description is: Accenture sells skilled teams, repeatable industry knowledge, delivery methods, technology partnerships, and managed operating capacity to organizations that need transformation but cannot complete it with internal staff alone.

The customer base is mostly large and complex institutions: global banks, insurers, health systems, public agencies, consumer-product companies, retailers, manufacturers, utilities, energy companies, telecom operators, software platforms, and other enterprises with large technology estates. These customers do not usually buy a single product in the way a small business buys software online. They buy programs: a cloud migration, an ERP modernization, an AI-enabled customer-service redesign, a cybersecurity operating model, a finance transformation, a supply-chain rebuild, a managed application-services contract, or an outsourcing arrangement for a business process. Accenture's pitch is that it can combine strategy, industry expertise, technology implementation, and post-implementation operations in one global delivery model.

The buying motion is relationship-led and consultative. A typical large client engagement is sold through senior account teams, industry leads, technology partners, and executive relationships. Demand can start as advisory work, then expand into implementation and managed services. It can also start as a cost-reduction or outsourcing mandate and later become transformation work. The sales process often involves multi-year relationships, competitive requests for proposal, partner co-selling with major technology platforms, and renewals or extensions of existing programs. Accenture therefore has elements of both a consulting business and a scaled services platform: the work is human-capital intensive, but the scale, delivery tooling, offshore centers, partner ecosystem, and managed-services base create some repeatability.

Accenture's official taxonomy is important because the company can be described in multiple ways. QF P-Taxonomy states that Accenture reports operating segments by three geographic markets: Americas, EMEA, and Asia Pacific. It also discloses revenue by industry group and by type of work. The two type-of-work categories are Consulting and Managed Services. The five industry groups are Communications, Media & Technology; Financial Services; Health & Public Service; Products; and Resources. For business understanding, all three views matter. Geography drives segment operating profit disclosure; service type explains the mix between project-led transformation and recurring operations; industry group explains the customer demand pools.

At the TTM anchor, Accenture generated $73.101 billion of revenue, $10.592 billion of operating income, and $7.790 billion of net income attributable to Accenture plc, with diluted EPS of $12.52. These figures come from QF P4, which constructs TTM from the four controlling official quarters. The headline scale is therefore not just "large consulting firm"; it is a global enterprise services platform with more than $70 billion of annualized revenue, a mid-teens operating margin, and low tangible capital intensity.

Revenue Architecture

Accenture's revenue architecture has three complementary layers:

Layer	Categories	What it tells the reader	Source
Type of work	Consulting; Managed Services	Whether revenue is more project/transformation or operate/outsourcing oriented	QF P1
Operating segment	Americas; EMEA; Asia Pacific	Where revenue and operating income are earned	QF P2
Industry group	CMT; Financial Services; Health & Public Service; Products; Resources	Which customer verticals drive demand	QF P1

The type-of-work view is the cleanest FY-1 revenue split in the quantitative foundation. In FY2025, Consulting revenue was $35.107 billion, or about 50.4% of FY2025 revenue, and Managed Services was $34.566 billion, or about 49.6%. QF P1 states that these annual FMP values tie exactly to the sum of FY2025 quarters and that the official label for FMP's "Outsourcing Revenue" is Managed Services.

FY2025 type of work	FY2025 revenue	Percent of FY2025 revenue	What it represents	Source row
Consulting	$35.107B	50.4%	Advisory, design, transformation, systems implementation, and project-led client change	QF P1
Managed Services	$34.566B	49.6%	Running technology, operations, applications, security, infrastructure, or business processes for clients	QF P1
Total revenue	$69.673B	100.0%	Consolidated FY2025 revenue	QF P1

Consulting is the more discretionary side of the business. It includes strategy and consulting, technology consulting, digital core modernization, implementation programs, data and AI transformation, customer experience design, supply-chain programs, cybersecurity transformation, and industry-specific redesign. The customer problem is usually change: the client knows that its current operating model, technology stack, customer journey, or cost structure is not fit for purpose, but the transformation is too large to staff internally. Consulting revenue is exposed to client budget cycles because projects can be delayed, resized, or reprioritized when macro conditions tighten. Its advantage is that it can seed larger downstream implementation and managed-services work.

Managed Services is the operate side of the model. Here Accenture takes responsibility for running a process or technology environment for a client. This can include application management, infrastructure operations, business process services, cyber operations, cloud operations, finance and accounting processes, procurement, customer operations, or industry-specific operating work. Managed Services tends to be more recurring and contractual than consulting, although it is not a pure SaaS subscription. The customer buys reliability, process expertise, service-level accountability, lower cost-to-serve, and access to a global delivery workforce. The economics depend on contract scope, labor pyramid, automation, delivery-center efficiency, pricing discipline, and whether Accenture can use tooling and experience from one client to improve delivery on another.

The geographic operating-segment view shows where operating income is reported. QF P2 gives TTM revenue and operating income by segment:

Operating segment	TTM revenue	TTM revenue mix	TTM operating income	TTM OI margin	Source row
Americas	$35.919B	49.1%	$5.616B	15.6%	QF P2
EMEA	$26.574B	36.4%	$3.234B	12.2%	QF P2
Asia Pacific	$10.608B	14.5%	$1.743B	16.4%	QF P2
Total	$73.101B	100.0%	$10.592B	14.5%	QF P2

The Americas segment is the largest profit pool. It includes the United States and other markets in the Americas, and it is heavily influenced by the spending patterns of U.S. enterprise, technology, financial services, health, public-sector, and federal clients. Because the Americas represent roughly half of TTM revenue and operating income, any sustained slowdown in U.S. consulting demand or U.S. federal work matters disproportionately to the whole company. The Q3 FY2026 release specifically flags an estimated U.S. federal impact in full-year guidance, which makes this geography a key follow-up area for the rest of the ER2 report.

EMEA is the second-largest geographic market. It is more fragmented by country, language, labor law, and public-sector procurement environment than the U.S. market. Its TTM operating margin is lower than the other two geographic segments in QF P2, at 12.2%. That does not automatically make EMEA a bad business; it may reflect local mix, wage structures, pricing, delivery configuration, restructuring, or country-level demand. But it tells the reader that revenue dollars do not have uniform profitability across the Accenture footprint.

Asia Pacific is the smallest of the three geographic segments but shows the highest TTM operating margin in QF P2, at 16.4%. The region includes developed markets such as Japan and Australia, fast-growing technology and delivery markets, and clients exposed to manufacturing, resources, telecom, financial services, and public-sector modernization. The smaller revenue base means Asia Pacific cannot by itself offset weakness in the Americas, but its margin profile and growth potential can matter at the margin.

The industry-group view explains customer vertical exposure. QF P1 provides TTM industry revenue:

Industry group	TTM revenue	TTM revenue mix	Source row
Communications, Media & Technology	$12.365B	16.9%	QF P1
Financial Services	$13.802B	18.9%	QF P1
Health & Public Service	$14.876B	20.3%	QF P1
Products	$22.263B	30.5%	QF P1
Resources	$9.795B	13.4%	QF P1
Total	$73.101B	100.0%	QF P1

Products is the largest vertical. It covers customers such as consumer goods, retail, travel, industrial, life sciences, and related product-centric businesses. Health & Public Service and Financial Services are also large, which gives Accenture meaningful exposure to regulated, complex, technology-intensive end markets. Communications, Media & Technology is important because technology customers can both spend aggressively on transformation and cut spending quickly when demand slows. Resources is smaller but includes energy, chemicals, utilities, and natural resources customers with significant operational technology, supply-chain, and sustainability programs.

Unit Economics

Accenture's unit economics start with a simple equation: client billings must cover skilled labor, subcontractors, delivery infrastructure, technology and tools, selling and account management, training, acquisitions, and corporate overhead, while leaving a mid-teens operating margin. Unlike software companies, Accenture does not have near-zero marginal cost for each additional unit of revenue. Unlike asset-heavy manufacturers, it does not require large plants or physical inventory. Its primary economic asset is a global workforce combined with client relationships, delivery methods, training systems, partner credentials, and industry knowledge.

The most important cost driver is people. Accenture employs roughly 800,000 people globally according to live FMP/IR context, and the company sells work that depends on having the right skills in the right place at the right cost. Gross economics depend on utilization, bill rates, salary inflation, pyramid mix between senior and junior staff, onshore/offshore delivery mix, subcontractor use, and project execution quality. A consulting engagement with premium advisory content, scarce AI skills, and strong senior sponsorship should have a different margin profile from a commoditized staff-augmentation project. A managed-services contract can be attractive if scoped, priced, and automated well; it can be painful if the transition is underestimated or service levels are too demanding for the price.

At the consolidated level, QF P4 gives TTM revenue of $73.101 billion and TTM operating income of $10.592 billion, implying a 14.5% operating margin. This is the central unit-economic fact for the primer. Accenture is not a 30% operating-margin software compounder. It is a scaled services company whose margin comes from delivery leverage, pricing, productivity, automation, and disciplined cost management. The margin is good for a people-intensive services model, but it leaves less room for execution error than a highly gross-margin-rich software model.

Capital intensity is low. QF P6 shows FY2026 nine-month operating cash flow of $9.268 billion, capital expenditures of $0.492 billion, and free cash flow of $8.775 billion. The capex line is small relative to revenue because Accenture's expansion does not require building factories. The larger reinvestment categories are people, training, acquisitions, intellectual property, platforms, ecosystem certifications, and internal tooling. The QF P6 acquisition-net line of $3.004 billion for FY2026 nine months is a reminder that capital allocation includes inorganic capability building, not just buybacks and dividends.

The geographic segment margins in QF P2 show the unit-economic spread. Americas TTM margin is 15.6%, EMEA is 12.2%, and Asia Pacific is 16.4%. These differences can come from labor mix, pricing, project mix, restructuring, currency, or regional demand. For an investor, the key question is not whether each region can grow revenue; it is whether each region can convert incremental revenue into incremental operating income without sacrificing delivery quality or client satisfaction.

Consulting and Managed Services also have different economic rhythms. Consulting revenue can carry attractive pricing when Accenture is solving high-priority, complex problems, but it is more exposed to discretionary spending and project starts. Managed Services can bring longer duration and better visibility, but contract pricing can be competitive and margins depend on automation, process maturity, and contract governance. A healthy Accenture model needs both: consulting identifies and designs change, while managed services can institutionalize the work and deepen the client relationship.

The AI transition is a unit-economic wildcard. If Accenture uses AI to automate delivery, write code faster, improve testing, reduce support labor, and augment knowledge work, then AI can support margin and speed. If AI reduces client willingness to pay for traditional labor-hours or lets competitors deliver with fewer people at lower prices, it can compress the labor-arbitrage portion of the model. The rest of the ER2 report should test whether Accenture's AI strategy is expanding the value pool or simply defending a challenged legacy services model.

Customer And Value Proposition

Accenture's value proposition is strongest when the client problem is large, cross-functional, technology-heavy, and execution-sensitive. The company is not just selling advice. It is selling the ability to assemble strategy, engineering, industry process knowledge, change management, security, data architecture, cloud partners, delivery centers, and ongoing operations into a program that a chief executive, chief information officer, chief operating officer, or public-sector leader can trust.

The first value proposition is transformation capacity. Large organizations often know what must change but lack enough people who have done it before. A bank may need to modernize core systems while meeting regulatory requirements. A retailer may need to rebuild digital commerce and supply-chain visibility. A health organization may need to improve digital access and claims processes. A manufacturer may need connected products, data platforms, and resilient operations. Accenture provides both design and execution capacity.

The second value proposition is industry translation. Technology platforms such as cloud, ERP, cybersecurity tools, data platforms, and AI models are not self-implementing. They must be translated into workflows, controls, customer journeys, and operating models. Accenture's industry groups matter because a bank, an energy company, a pharma company, and a public agency all have different compliance, data, process, and stakeholder constraints. Accenture's ability to reuse industry knowledge can lower delivery risk and improve speed.

The third value proposition is ecosystem orchestration. The company sits between clients and major technology providers. Clients often do not want to integrate dozens of vendor products themselves. Technology partners need scaled implementers. Accenture can design, implement, and operate solutions across cloud platforms, enterprise software, cybersecurity products, data platforms, and AI ecosystems. The live IR page emphasizes broad ecosystem relationships and proprietary assets, which is central to this orchestration role.

The fourth value proposition is managed accountability. When Accenture runs a managed service, the client is buying operational outcomes rather than just advice. This can include application uptime, transaction processing, security monitoring, process efficiency, cost reduction, or service levels. Managed services can be valuable when clients want to focus internal talent on strategic work while outsourcing repeatable or specialized operations.

The customer buying decision is usually based on credibility, domain experience, risk reduction, price, delivery capacity, and prior relationship. Accenture's scale is a selling point because a global client wants a provider that can support multiple countries and business units. But scale is also a challenge: the company must maintain quality across a very large workforce and avoid becoming too generic or bureaucratic for high-end transformation work.

Competitive Landscape

Accenture competes across several overlapping markets rather than one clean category. In strategy and transformation consulting, it competes with firms such as McKinsey, BCG, Bain, Deloitte, PwC, EY, KPMG, IBM Consulting, Capgemini, and specialized boutiques. In technology services and implementation, it competes with Tata Consultancy Services, Infosys, Cognizant, Wipro, HCLTech, IBM, Capgemini, EPAM, Globant, and many regional systems integrators. In managed services and outsourcing, it competes with Indian heritage IT services firms, business process outsourcing companies, cloud managed-service providers, and in-house client teams. In creative, customer experience, and digital marketing work, Accenture Song competes with agencies, consultancies, and platform specialists.

Accenture's advantage is breadth. It can talk to the board about reinvention, to the CIO about cloud architecture, to the COO about process redesign, to the CISO about cyber risk, to the CMO about customer experience, and to the business unit about industry workflows. Few competitors combine high-end consulting, technology implementation, global delivery, managed operations, and industry depth at Accenture's scale.

The disadvantage of breadth is competitive exposure from every direction. Strategy firms can attack the most senior advisory layer. Indian IT services companies can attack cost-sensitive delivery and managed-services work. Software vendors and hyperscalers can capture more of the value through platforms, automation, and partner marketplaces. AI-native entrants can challenge traditional implementation economics by promising faster delivery with smaller teams. Clients can also insource more capability as digital transformation becomes a permanent internal function rather than an episodic project.

The competitive test is therefore not simply revenue share. It is whether Accenture remains a premium orchestrator of complex change or drifts toward commoditized labor reselling. The QF P2 consolidated TTM operating margin of 14.5% is acceptable for a scaled services leader, but margin durability depends on Accenture maintaining differentiation in skills, industry knowledge, delivery quality, and strategic relevance.

History And Strategic Evolution

Accenture's heritage traces to the technology consulting arm associated with Arthur Andersen, with FMP profile context noting establishment in 1951. The modern public-company identity emerged after Andersen Consulting separated from Arthur Andersen, adopted the Accenture name in 2001, and listed publicly. That history matters because the company was born out of systems, process, and consulting work rather than a single software product.

The first strategic era was professional services scale. Accenture built a global consulting and technology-services firm with deep relationships at large enterprises. The second era was global delivery and outsourcing. As enterprise technology spending grew, clients needed not only advice but also large implementation teams and operating support. Accenture expanded delivery capacity and managed services, creating the roughly balanced Consulting and Managed Services mix seen in QF P1.

The third era was digital, cloud, and customer experience. Accenture invested in digital transformation, cloud migration, analytics, cybersecurity, and creative/customer capabilities. The company broadened beyond traditional systems integration into end-to-end reinvention. It acquired capabilities and built partner relationships to stay relevant as clients moved from legacy ERP and custom systems to cloud, data platforms, and digital customer channels.

The current era is AI-enabled reinvention. Accenture's live IR materials frame the strategy around helping leading enterprises build their digital core and use AI to create value. The company has reorganized its message around Reinvention Services, bringing together broad expertise in digital core, finance, industry, enterprise, supply chain, engineering, talent, cybersecurity, and AI/data. The strategic ambition is clear: Accenture wants to be the default enterprise partner for safe, scaled AI adoption.

For investors, the strategic evolution creates both opportunity and tension. Accenture has repeatedly moved with client spending waves: systems integration, outsourcing, digital transformation, cloud, and now AI. That adaptability is a real asset. But each wave also attracts new competitors and can cannibalize old work. AI could increase demand for enterprise redesign, data engineering, and managed AI operations. It could also automate some traditional coding, testing, support, and process work that historically supported services revenue. The rest of the ER2 report should test whether Accenture is monetizing AI as a growth driver or using AI language to defend a slower-growing services base.

Key Risks

The first risk is demand cyclicality. Consulting revenue is not fully recurring. Clients can pause transformation programs, reduce discretionary spending, or delay project starts when budgets tighten. QF P1 shows Consulting was about half of FY2025 revenue, so weakness in discretionary work can affect the whole company even if Managed Services is more stable.

The second risk is AI disruption. AI can increase client need for transformation, but it can also reduce the labor required for code generation, testing, support, analytics, content, and process work. If clients expect AI-driven productivity to flow mostly to them through lower prices, Accenture's billable-labor economics could face pressure. If competitors use AI to deliver equivalent outcomes with smaller teams, pricing and utilization could weaken.

The third risk is U.S. federal and public-sector exposure. The Q3 FY2026 release narrowed guidance and identified an estimated U.S. federal impact. Health & Public Service is 20.3% of TTM revenue in QF P1, and the Americas is 49.1% of TTM revenue in QF P2. Public-sector spending patterns, procurement delays, political shifts, and budget cuts can therefore matter.

The fourth risk is competitive commoditization. Accenture's breadth is valuable, but many implementation and managed-services tasks are price competitive. If clients view providers as interchangeable, margins can compress. The company must keep moving toward higher-value work where industry context, execution reliability, and senior trust matter.

The fifth risk is execution quality at scale. A workforce of roughly 800,000 people can support global delivery, but it also creates management complexity. Accenture must hire, train, reskill, and deploy people across changing technology stacks. Poor utilization, wage inflation, skills mismatches, or delivery failures can hurt both margins and reputation.

The sixth risk is acquisition integration. QF P6 shows acquisitions net of $3.004 billion for FY2026 nine months. Acquisitions can add talent, IP, and market access, but they also bring integration risk, cultural complexity, and potential overpayment. A services roll-up can look strategically coherent while quietly diluting returns if acquired capabilities do not scale or retain talent.

The seventh risk is capital-return dependence. QF P6 shows significant FY2026 nine-month share repurchases and dividends. Cash returns are shareholder-friendly, but they do not substitute for organic growth. If revenue growth slows and buybacks carry more of EPS growth, the investment case becomes more valuation-sensitive.

The eighth risk is currency and regional mix. Accenture reports in U.S. dollars but operates globally. Currency, regional wage inflation, local demand, and country-level regulation can affect reported growth and margins. EMEA's lower TTM margin in QF P2 is one visible reminder that geography matters.

How To Read The Rest Of The ER2 Report

This primer should be read as the map, not the evidence locker. It explains what Accenture does, how revenue is categorized, where profit is reported, why customers buy, who competes, how the strategy evolved, and which risks matter. Downstream appendices should not use this primer as the controlling source for quantitative modeling.

Use the quantitative foundation for hard historical figures. QF P1 controls service and industry revenue, QF P2 controls geographic segment revenue and operating income, QF P3 controls consolidated official-vs-FMP tie-outs, QF P4 controls TTM construction, QF P5 controls reconciliation status, and QF P6 controls cash flow, balance sheet, share count, liquidity, and capital allocation figures.

Use the data package, once fully produced, for management commentary, guidance, transcript context, and qualitative update history. Because the data package was only a stub when this appendix was written, this primer uses live primary-source context instead. The final ER2 report should refresh qualitative statements against the completed data package before relying on them in the main narrative.

Use segment appendices to answer the key investment question: which parts of Accenture can compound, at what margin, and with what AI disruption risk? The geographic segment view is the operating-income disclosure base, but the service and industry views explain demand. A strong segment analysis should connect all three.

Use the management appendix to judge whether Accenture is allocating capital and talent well through the AI transition. The company has scale, cash flow, and client access, but the next five years require difficult reskilling, pricing, acquisition, and operating-model choices.

Use the moat appendix to test durability. Accenture's moat is not a patent wall or network effect in the classic software sense. It is a bundle of client trust, scale, delivery capacity, industry knowledge, partner relationships, and execution history. The moat question is whether that bundle remains valuable when AI changes the cost and speed of enterprise technology work.

Use the synthesis appendix to translate business quality into numbers. Accenture can be a good company and still fail the ER2 valuation test if FY+5 EPS does not support a P/E of 15 or better at the current price. The primer deliberately does not answer that valuation question. It prepares the reader to understand the moving parts when the synthesis model does.

Source Notes

Source	Use in this primer	Citation detail
`quant_foundation.md`	Controlling historical financial figures	QF P1-P6, dated 2026-06-28
`quant_foundation_review_final.md`	Gate status	Final verdict: `QUANT FOUNDATION VERIFIED - CLEARED FOR WAVE 1`
FMP live endpoints	Fresh profile, quote, and product segmentation checks	`profile ACN`, `quote ACN`, `revenue-product-segmentation ACN --param period=annual`
SEC EDGAR	Live primary filing availability	FY2025 Form 10-K; Q1-Q3 FY2026 Forms 10-Q; Q3 FY2026 8-K earnings exhibit
Accenture Investor Relations	Company positioning and FY2025 performance context	https://investor.accenture.com/
Accenture newsroom Q3 FY2026 release	Current earnings and guidance context	https://newsroom.accenture.com/news/2026/accenture-reports-third-quarter-fiscal-2026-results
Accenture annual reports page	FY2025 annual-report access and official annual context	https://www.accenture.com/us-en/about/company/annual-report

Appendix M - Management Assessment

Accenture - Management Assessment

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Stage 0 anchor: FY ends August 31; TTM ends May 31, 2026; forward horizon May 31, 2031. Management gate: PASS

This appendix assesses whether Accenture's management can protect and compound per-share value through the next decade. The conclusion is PASS, but not a complacent pass: Julie Sweet's team has a strong operating and capital-return record, a coherent AI/reinvention strategy, clean governance, and a still-high ROIC base. The watch item is capital allocation discipline as fiscal 2026 shifts from routine tuck-ins and buybacks toward approximately $9 billion of expected deployment, including a concentrated operational-technology cybersecurity platform push. That is not enough to fail the gate today, but it raises the evidence threshold for the next two years.

1. Who is running the company

Accenture is run by Julie Sweet, Chair and Chief Executive Officer. The latest proxy identifies her as Chair and CEO, a director since 2019, and the only non-independent member of the board. The FY2025 Form 10-K is also signed by Sweet as chief executive officer. She has been CEO since September 2019 and chair since 2021, so she clearly owns the current strategy rather than inheriting it. The board says the combined chair/CEO structure is justified by Sweet's Accenture and industry knowledge, while independent oversight is provided through an independent lead director and independent committee chairs. The relevant proxy source is the December 2025 DEF 14A for the January 28, 2026 annual meeting: https://www.sec.gov/Archives/edgar/data/1467373/000130817925000651/acn-20251210.htm.

Angie Park is the CFO. The proxy states that Park was appointed CFO in December 2024 after serving as business and commercial finance lead. Other public reporting around the appointment says she had nearly 30 years at Accenture and had previously served as CFO for Accenture Technology Services and head of investor relations. That matters because this is not an external finance chief learning the business from scratch; it is an internal succession. The weakness is that her CFO track record is still short: she has only owned the public-company finance chair through FY2025 and the first three quarters of FY2026.

The named segment or operating leaders in the latest proxy are John Walsh, Chief Executive Officer - the Americas; Mauro Macchi, Chief Executive Officer - EMEA; Manish Sharma, Chief Strategy and Services Officer; and Angie Park as CFO. Sharma was appointed chief strategy and services officer in September 2025 after serving as CEO - the Americas. Walsh moved into the Americas CEO role in September 2025 after serving as chief operating officer. Macchi is CEO - EMEA. Asia Pacific leadership is less prominent in the named-executive proxy table, but live Accenture leadership materials and outside leadership notices identify Atsushi Egawa and Ryoji Sekido as co-CEOs of Asia Pacific from September 2024. The operating model is therefore not a founder-led narrow team; it is a broad partner-style global management organization with about 55 members in the global management committee, per the FY2025 Form 10-K.

Board accountability looks conventional and mostly clean. The proxy states that all current directors are independent except Sweet, all four standing board committees are composed solely of independent directors, directors are elected annually, shareholders holding 10% or more can convene a special meeting, and there is no poison pill. Arun Sarin has served as independent lead director since February 2025. The board's average nominee tenure is 6.0 years, and the 2026 slate contains 10 nominees. There is no dual-class operating-control problem: the proxy beneficial ownership table says no listed director or executive owns Class X ordinary shares, and the 10-Q states Class A and Class X vote together on matters submitted to shareholders. This is a governance positive.

2. Tenure and track record

Sweet has been CEO long enough to be accountable for the current Accenture. Her three largest strategic decisions are the reinvention/AI positioning, the shift to integrated Reinvention Services, and the capital-allocation mix that combines large buybacks, steady dividends, and a rolling acquisition program.

The first decision was to make Accenture the large-scale enterprise reinvention partner around digital core, cloud, data, and AI. The FY2025 10-K states Accenture's strategy is to be the "reinvention partner of choice" and "the most AI-enabled, client-focused, great place to work." It also says the company made a $3 billion multi-year investment beginning in fiscal 2023 to become a generative AI leader. The financial evidence is not just narrative. Data package Section 2 shows revenue rose

from $50.533 billion in FY2021 to $69.673 billion in FY2025, while free cash flow rose from $8.395 billion to $10.874 billion. ROIC declined from 42.2% in FY2021 to 27.3% in FY2025 as invested capital and acquisition-related balances rose, but 27% remains well above the Gideon minimum for a compounder. Management therefore has not merely bought growth at a mediocre return, at least not yet.

The second decision was the September 1, 2025 move to a single integrated Reinvention Services unit. The 10-K says the company brought strategy, consulting, technology, operations, Song, Industry X, deep industry/function expertise, and ecosystem partnerships together to deliver solutions faster and embed AI and data more easily. This is strategically coherent. Accenture's client value proposition is not single-product resale; it is integration, implementation, managed services, and change management. Collapsing service silos should help cross-sell and delivery speed. The risk is organizational: integration can blur accountability, and Accenture does not disclose operating income by service type, industry group, or AI/cybersecurity product line. That opacity makes external monitoring harder.

The third decision is capital allocation. Under Sweet, Accenture has returned substantial cash while maintaining a net-cash or low-leverage balance sheet. Data package Section 7 shows buybacks exceeded dividends in every FY2021-FY2025 year. FY2025 buybacks were $4.619 billion and dividends were $3.700 billion. FY2026 nine-month cash returns were already $5.193 billion of share purchases and $3.013 billion of dividends, per the Q3 FY2026 10-Q. The June 23, 2026 newsroom release then increased the FY2026 share repurchase plan by $2 billion, taking expected FY2026 repurchases to $7.5 billion: https://newsroom.accenture.com/news/2026/accenture-significantly-increases-fiscal-year-2026-share-repurchase-program-by-2-billion.

There are also mistakes. The FY2025 10-K disclosed $615 million of business optimization costs, including about $344 million tied to a talent rotation and approximately $271 million of asset impairments primarily related to the divestiture of two acquisitions no longer aligned with strategy. Management deserves credit for acknowledging misalignment and exiting, but this is evidence that some M&A did not meet the bar. A PASS verdict should not treat Accenture's acquisition machine as automatically value-accretive.

3. Capital allocation behavior

The data-package capital allocation table is the core evidence:

Year	Capex	Capex/revenue	R&D	R&D/revenue	Buybacks	Dividends	M&A net cash paid
FY2021	$0.580B	1.1%	n/d	n/d	$3.703B	$2.234B	$3.758B
FY2022	$0.718B	1.2%	n/d	n/d	$4.116B	$2.455B	$3.555B
FY2023	$0.528B	0.8%	n/d	n/d	$4.330B	$2.824B	$2.106B
FY2024	$0.517B	0.8%	n/d	n/d	$4.525B	$3.241B	$6.554B
FY2025	$0.600B	0.9%	$0.817B	1.2%	$4.619B	$3.700B	$1.471B

The pattern is disciplined for an asset-light consulting and managed-services firm. Capex intensity stayed below 1.2% of revenue across five years, and the business converted earnings into cash. The company did not need heavy fixed-asset reinvestment to grow, which is why buybacks and dividends could absorb so much free cash flow without raising obvious balance-sheet risk. FY2025 free cash flow of $10.874 billion versus $0.600 billion of capex reinforces the point.

The less comfortable part is acquisition intensity. FY2024 M&A net cash paid was $6.554 billion, and FY2026 is stepping up again. Data package Section 9 notes the June 18, 2026 announcements to acquire a majority stake in Dragos and acquire runZero and NetRise to create an operational-technology cybersecurity platform; the June 17, 2026 closing of Ookla; and the August 14, 2025 agreement to acquire CyberCX. It also records Q3 FY2026 purchases of businesses and investments, net of cash acquired, of $3.004 billion for the first nine months, and management's Q3 call statement that expected FY2026 capital deployment rose to approximately $9 billion. The Q3 FY2026 official transcript supports the strategic rationale: management described OT security as a platform-led growth business with a non-FTE commercial model and framed Dragos, runZero, and NetRise as a way to consolidate a fragmented client purchasing problem: https://investor.accenture.com/~/media/Files/A/accenture-v4/investors/earnings-reports/2026/accenture-third-quarter-fiscal-2026-conference-call-transcript.pdf.

The buyback evidence is mixed but acceptable. The Q3 FY2026 10-Q shows the company bought shares in March, April, and May 2026 at average prices of $201.51, $192.97, and $180.42, respectively, with $3.244 billion remaining under plans at May 31. The June 23 increase after a large stock-price decline looks more price-sensitive than a purely mechanical program. However, over the prior five years buybacks were steady and large rather than clearly opportunistic. The right assessment is that Accenture is a consistent capital-return company with some recent evidence of exploiting price weakness, not a

Berkshire-style price-sensitive repurchaser.

4. Compensation alignment

Compensation is materially equity-weighted and generally aligned with shareholders, though not perfectly aligned with ROIC. The proxy says executive compensation is based on pay-for-performance, appropriate pay mix, shared success against financial and strategic objectives, and competitive benchmarking. For Sweet, base compensation as of December 1, 2025 was $1.55 million, fiscal 2025 global annual bonus was $4.5 million, and the target values of January 2026 equity awards were $16.5 million under the Key Executive Performance Share Program plus $6.0 million under the Accenture Leadership Performance Equity Award Program. The proxy says 73% of Sweet's equity awards are granted under a three-year performance share program. For Park, the proxy says 87% of equity awards are under the same three-year performance share program. The CFO's base compensation was $1.1 million as of December 1, 2025, with $5.1 million targeted under the key executive performance program and $0.75 million under the leadership performance equity program.

The annual bonus structure has upside and downside. The proxy says the global annual bonus is tied to individual and company performance, in particular financial performance versus an earnings target established by the Compensation, Culture & People Committee. Sweet's FY2025 target bonus was 250% of base salary and could range from 0% to 200% of target. Park's target was 125% of base salary and could range from 0% to 160% of target. This is meaningful variable pay. The weakness is that the proxy discussion relies heavily on adjusted EPS, revenue, free cash flow, bookings, strategic objectives, and committee judgment. There is no simple hard ROIC or per-share intrinsic-value hurdle visible in the summarized plan. For a Gideon compounder test, that is a yellow-tinged compensation feature, not a failure.

Actual ownership is not founder-like. The proxy beneficial ownership table reports Sweet beneficially owned 6,906 Class A shares at December 1, 2025, including 2,339 RSUs deliverable within 60 days; Park owned 8,348 shares, including 2,201 such RSUs. Later Form 4 data show Sweet's direct holdings changed with awards and planned sales, but even the higher direct-holding numbers are small relative to her annual compensation. This is common for professional-services firms but below the best owner-operator bar. Offsetting this, the proxy requires each named executive officer to hold Accenture equity worth at least six times base compensation by the fifth anniversary of becoming an NEO, and directors must meet a three-times annual-equity-grant ownership requirement.

Dilution and SBC are acceptable but must be watched. Using the live-pulled FMP annual income-statement and cash-flow files in the Accenture workdir, share-based compensation ran $1.343 billion in FY2021, $1.680 billion in FY2022, $1.913 billion in FY2023, $1.942 billion in FY2024, and $2.094 billion in FY2025. Against revenue, that is approximately 2.7%, 2.7%, 3.0%, 3.0%, and 3.0%. This is not chronic SaaS-style dilution abuse. It is a real cost, but buybacks have more than offset it at the share-count level.

The governance safeguards are strong. The proxy states that Accenture maintains mandatory and senior-leadership clawback policies; awards under the amended share incentive plan are subject to recoupment, including for misconduct; directors and all employees are prohibited from hedging; and directors, the CEO, executive officers, global management committee members, and other key employees are prohibited from pledging company stock.

5. Disclosure quality and candor

Accenture's disclosure quality is above average for a services company but below best-in-class product companies. The last eight quarters of transcript evidence show management usually answers with relevant numbers: bookings, book-to-bill, revenue by geography, revenue by type of work, free cash flow, DSO, and guidance ranges. Q2 FY2026 is a good example. The transcript states revenue was $18.0 billion with 4% local-currency growth, record bookings of $22.1 billion, and 41 clients with quarterly bookings greater than $100 million. In Q1 FY2026, management disclosed advanced AI bookings of $2.2 billion and revenue of about $1.1 billion, and explained cumulative advanced AI bookings and revenue since introducing the metric. That was unusually transparent for an AI-services opportunity.

Candor is also visible in how management handled Q3 FY2026. Q3 was not a clean quarter: managed-services opportunities moved into FY2027, Middle East conflict affected consulting revenue and sales, and federal demand remained a drag. Management did not pretend the issue was absent. The Q3 transcript directly discusses the Middle East impact, moved opportunities, and the major OT cybersecurity acquisition push. Park's Q3 phrasing that the company expected to "deliver or exceed all aspects of our guidance" is a concrete guidance commitment rather than pure aspiration.

The disclosure gap is that Accenture is now reducing the visibility of one of the most important investor questions. In Q1 FY2026, Sweet said that quarter would be the last in which Accenture shared specific advanced-AI bookings and revenue

metrics because AI was becoming embedded across the business. The rationale is plausible operationally, but from a shareholder perspective it removes a clean time series just as AI becomes more central to the stock debate. Data package Section 10 already flags true non-disclosure for product SKU revenue, GenAI/cloud/cybersecurity/data revenue, service-type operating income, industry-group operating income, segment bookings, utilization, pricing, delivery-center margin, and segment headcount. For a management gate, this does not imply dishonesty. It does mean investors must underwrite more from aggregate revenue, bookings, margin, and cash flow than from granular AI economics.

Guidance discipline appears credible. Management raised or narrowed FY2025 through strong bookings and cash flow, then held the FY2026 framework despite Q3 softness. The company has a habit of disclosing adjusted and GAAP impacts separately; the FY2025 10-K clearly quantified business optimization costs and their effect on margin and EPS. Hedged language does appear in several quarters around macro, federal, discretionary consulting, and geopolitical uncertainty, but management has generally attached the hedges to specific demand channels rather than using generic "headwinds" as a substitute for numbers.

6. Strategic coherence

The strategy is coherent. Accenture says it wants to be the reinvention partner of choice and the most AI-enabled, client-focused great place to work. The investment pattern supports that: a $3 billion multi-year generative AI investment, nearly 80,000 AI and data professionals by Q1 FY2026, about 8 million training hours in that quarter with a focus on AI/technology/industry skills, acquisition of data, cyber, Salesforce, Palantir, AI-learning, and digital-workplace capabilities, and a reorganization around Reinvention Services. This is not a random sequence of pivots.

The five-to-ten-year destination is also visible. Accenture is trying to own complex enterprise transformation across digital core, data readiness, advanced AI, cloud, security, managed operations, and industry-specific process change. That is a large and durable opportunity if enterprises keep needing outside help to convert new technologies into operating improvements. The 2025 shareholder letter and annual report emphasize strong free cash flow and a step-up in AI positioning; the annual-report landing page says FY2025 advanced the strategy to be the reinvention partner of choice and reflected strong revenue growth, adjusted EPS growth, and free cash flow: https://www.accenture.com/us-en/about/company/annual-report.

Management does name competitive and demand threats, though usually in business-model language rather than naming direct peers. The Q3 FY2026 transcript discussed federal drag, Middle East impact, timing of large managed-services opportunities, client budget scrutiny, and why AI scaling takes foundational work. The company is less direct about pricing pressure, delivery-center productivity, and AI-driven automation risk to human-labor leverage. That is the central strategic risk. Accenture is both selling AI productivity and relying on a massive professional workforce. Management's answer is reskilling, AI-enabled delivery, platform-led businesses, and integration at scale. The framework is credible, but the actual margin and revenue proof must keep arriving.

7. Governance flags

No blocking governance flag is visible.

Related-party transactions are minor. The latest proxy discloses that the husband of Kate Clifford, Accenture's chief leadership and human resources officer, earned about $126,000 as a sales capture associate manager during FY2025, and the brother of former CFO KC McClure earned about $231,000 as a cloud advisory senior manager. These are small relative to Accenture's scale, disclosed plainly, and subject to a written related-person transaction policy.

There is no dual-class control problem in the practical public-shareholder sense. No listed director or executive owned Class X ordinary shares per the beneficial ownership table. Each Class A and Class X share carries one vote on matters submitted to shareholders, and Class A shares held by Accenture may not be voted. The largest known holders are Vanguard at 10.4% and BlackRock at 7.8%, based on the proxy's Schedule 13G references.

No recent material weakness, restatement, or unresolved SEC staff-comment issue surfaced in the reviewed filings. The FY2025 10-K's unresolved-staff-comments item states none. The Q3 FY2026 10-Q says there were no material changes to previously disclosed risk factors. The January 28, 2026 Form 8-K reports that shareholders approved all annual-meeting proposals, including executive compensation and the amended share incentive plan, and provides the vote tallies: https://www.sec.gov/Archives/edgar/data/1467373/000146737326000005/acn-20260128.htm.

Insider selling is present but not disqualifying. The February 2026 SEC Form 4 for Sweet shows a planned 10b5-1 sale of 6,057 shares, and other 2026 Form 4 summaries show routine grants and small sales by executives. The pattern is not evidence of a clustered management exit, but it reinforces that management ownership is compensation-driven rather than

founder-like.

8. Peer comparison

Against IBM under Arvind Krishna, Accenture has the cleaner services-compounding record and less balance-sheet transformation risk. Krishna deserves credit for focusing IBM around hybrid cloud, software, AI, and Red Hat, but IBM's stewardship case depends more on a multi-year portfolio pivot and higher financial leverage than Accenture's. Accenture's advantage is cash conversion, an asset-light delivery model, and a broader client-services footprint. IBM may communicate more sharply on AI infrastructure economics, but Accenture's per-dollar capital allocation record in services is stronger.

Against Cognizant under Ravi Kumar S, Accenture ranks higher on strategy breadth and shareholder trust. Cognizant is also increasing buybacks and pursuing acquisitions such as Astreya, but its business has had more prolonged growth and positioning resets. Accenture's management has executed across geographies, service types, and large-client relationships with higher confidence. Cognizant may offer more recovery upside from a smaller base, but the management gate asks whether we would follow the team for a decade; on that question Accenture is better proven.

Against Capgemini under Aiman Ezzat, the comparison is closer. Capgemini has made a clear agentic-AI/intelligent-operations move with WNS and is a credible European technology-services operator. Accenture still ranks ahead on global scale, free-cash-flow depth, ecosystem breadth, and disclosure around bookings and service mix. Capgemini's WNS acquisition and Accenture's Dragos/runZero/NetRise/CyberCX push create a common watch item: both management teams are using M&A to buy capability at the edge of AI and operations. Accenture's advantage is that it can fund such moves while still returning substantial cash to shareholders.

Overall, Sweet ranks in the top tier of realistic IT-services and consulting CEOs for five-year stewardship. She is not an owner-operator, and Accenture is not a founder culture. But the record is better than a generic professional-services rollup: the company has defended high margins, compounded revenue, kept free cash flow strong, and moved early on enterprise AI while maintaining governance discipline.

9. Verdict on the management gate

Management gate: PASS.

Accenture's management clears the Gideon bar because the team has a proven multi-year record of high-return, cash-generative growth; the current CEO owns the strategy; the CFO succession was internal; governance is clean; incentives are meaningfully equity- and performance-weighted; and the company has protected per-share value through revenue growth, free cash flow, buybacks, and dividends. The team also shows strategic coherence: Reinvention Services, AI/data investment, ecosystem partnerships, cybersecurity expansion, and workforce reskilling all point in the same direction.

The pass has three monitoring conditions. First, FY2026-FY2028 acquisitions must show evidence of integration and per-share value creation, not just capability accumulation; the FY2025 impairment/divestiture disclosure proves this risk is real. Second, management should replace the discontinued advanced-AI bookings/revenue series with another durable disclosure that lets shareholders monitor AI economics. Third, ROIC should stabilize; a decline from 42.2% to 27.3% is acceptable only because the ending level is still high. If ROIC keeps compressing while M&A and goodwill rise, the management gate would move to YELLOW.

For now, the evidence supports following this team. The governance structure is shareholder-aligned enough, the balance sheet is not being abused, and the strategic narrative ties to observable revenue, bookings, free cash flow, and cash-return behavior. Management is not the reason to reject Accenture today.

Sources used

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- Accenture 2026 annual meeting results Form 8-K, SEC: https://www.sec.gov/Archives/edgar/data/1467373/000146737326000005/acn-20260128.htm

- Accenture Q3 FY2026 earnings call transcript, company IR: https://investor.accenture.com/~/media/Files/A/accenture-v4/investors/earnings-reports/2026/accenture-third-quarter-fiscal-2026-conference-call-transcript.pdf
- Accenture Q2 FY2026 earnings call transcript, company IR: https://investor.accenture.com/~/media/Files/A/accenture-v4/investors/earnings-reports/2026/second-quarter-fiscal-2026-conference-call-transcript.pdf
- Accenture Q1 FY2026 earnings call transcript, company IR: https://investor.accenture.com/~/media/Files/A/accenture-v4/investors/earnings-reports/2026/accenture-first-quarter-fiscal-2026-conference-call-transcript.pdf
- Accenture FY2025 annual reports page: https://www.accenture.com/us-en/about/company/annual-report
- Accenture June 23, 2026 share repurchase release: https://newsroom.accenture.com/news/2026/accenture-significantly-increases-fiscal-year-2026-share-repurchase-program-by-2-billion
- Local ER2 data package, Sections 7 and 9: `C:\Users\Admin\OneDrive\GPT\ER 2.0\Accenture\data_package.md`

Appendix W - Moat and 2046 Durability

Accenture - Moat and 2046 Durability

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Fiscal year end: August 31 TTM anchor: Q4 FY2025 + Q1 FY2026 + Q2 FY2026 + Q3 FY2026, ending May 31, 2026 Forward horizon: May 31, 2031 2046 test date: June 28, 2046

Source note: this appendix uses the cleared `data_package.md`, the completed primer, Accenture primary filings and earnings materials, and live primary-source searches. The per-segment appendices were still stubs at the time of drafting, so this appendix does not rely on segment appendix competitive-dynamics sections. Segment composition comes from `data_package.md`, especially Sections 1-5. No local data warehouse cache was used.

1. Moat taxonomy applied

Accenture's moat is not a classic patent, regulated monopoly, or two-sided network effect. It is a professional-services compound of client trust, procurement access, delivery scale, industry process knowledge, partner ecosystem position, and the ability to absorb technology shifts before most enterprise customers can implement them alone. That bundle is real, but it is also less absolute than a software platform moat because the company sells outcomes delivered by people, methods, partner tools, and repeatable assets. The investment question is whether this bundle remains defensible when AI reduces the labor intensity of some consulting, coding, testing, support, and business-process tasks.

Network effects are limited. Accenture does not become more valuable to one client simply because another client uses Accenture in the way a payment network, marketplace, or operating system does. There are indirect learning effects: more large transformations give Accenture templates, delivery scars, reusable industry playbooks, and partner credibility. Those learning effects matter in complex programs, especially when a bank, public agency, manufacturer, or health system wants evidence that the vendor has already solved similar problems elsewhere. But this is a scale-learning advantage, not a hard network effect. It can be attacked by focused competitors with deep domain proof in a narrower area.

Switching costs are material in managed services and large transformation programs. Once Accenture is embedded in a client's systems, operating model, application portfolio, cybersecurity processes, or outsourced workflow, replacement can involve contract transition risk, knowledge transfer, service-level disruption, and governance overhead. This is strongest in Managed Services, which generated $34.566B of FY2025 revenue and $36.722B of TTM revenue in the data package's service tables. It is weaker in Consulting, where discretionary project work can be deferred, rebid, or insourced more easily. Consulting was still $36.379B of TTM revenue, so the blended moat cannot be treated as fully recurring.

Scale economies are Accenture's clearest moat. The company has global delivery capacity, broad partner relationships, large-client procurement access, a balance sheet that can fund acquisitions and training, and enough breadth to bundle strategy, implementation, security, cloud, data, change management, industry expertise, and ongoing operations. The Q3 FY2026 earnings presentation states that Accenture had 104 quarterly client bookings of $100M or more year-to-date, 13% more than the comparable prior-year period. Large bookings are not a moat by themselves, but they show that the company remains invited into enterprise-scale programs where procurement, delivery risk, and global coordination are barriers to smaller competitors.

Brand is meaningful, but it is a high-trust procurement brand rather than a consumer brand. In board-level and CIO-level buying decisions, Accenture can reduce perceived execution risk. That matters because a failed ERP, cloud migration, cyber program, AI rollout, or operating-model transformation can damage a client executive's career. The brand helps the company reach the shortlist for large, complex work. It does not protect commoditized labor, staff augmentation, or narrow implementation tasks where buyers can compare vendors on price and skills.

Regulatory advantage is indirect. Accenture is not protected by an exclusive license, but it benefits from clients' regulatory complexity. Banks, insurers, health systems, public-sector bodies, utilities, defense-adjacent agencies, and multinationals need vendors that can handle controls, data privacy, auditability, resiliency, localization, and procurement requirements across jurisdictions. This creates a barrier against purely AI-native or low-cost delivery entrants that cannot yet satisfy enterprise governance. The same complexity also raises Accenture's own execution risk.

IP and patents are not the main moat. Accenture has proprietary assets, platforms, delivery methods, and reusable accelerators, but the financial disclosures do not provide a clean product revenue series for those assets. The data package explicitly flags no product SKU revenue history for GenAI, cloud, cybersecurity, data, or application services. That means the appendix should not assert a software-like IP moat. Accenture's IP is best understood as a delivery accelerant that supports

margins and speed, not as a standalone toll road.

High-trust procurement is the most important taxonomy bucket. Accenture sells to large enterprises and public entities that care about delivery certainty, global accountability, cyber and compliance posture, partner certifications, and the ability to staff multi-country programs. That procurement trust is hard to build quickly and is visible in persistent bookings, long client relationships, and margin stability. It is also vulnerable if clients decide that AI tools and platform-native services make large system integrators less necessary.

2. Per-segment moat

The reportable operating segments are geographic markets: Americas, EMEA, and Asia Pacific. These are disclosure segments, not the pure economic moats. The economic moat cuts across service type and industry vertical: large-client trust, industry knowledge, delivery scale, and managed-service switching costs. Because the segment appendices were not available beyond stubs at the time of drafting, the segment-level analysis below uses `data_package.md` and primary filings rather than `appendix_B_*` evidence.

Americas is the largest segment and the most important moat test. FY2025 Americas revenue was $35.057B, 50.3% of total revenue, with $5.324B of operating income and a 15.2% operating margin. TTM Americas revenue was $35.919B with $5.616B of operating income and a 15.6% margin. The segment's moat is enterprise procurement depth in the United States and large multinational accounts, plus public-sector and regulated-industry execution knowledge. Durability over five years is strong because large clients still need AI, cloud, cyber, data, and operating-model help. Ten-year durability is plausible but depends on Accenture defending its premium role rather than becoming a labor broker. Twenty-year durability is unresolved because the Americas segment is most exposed to AI-native workflow automation and U.S. federal budget pressure. The earliest downgrade signal would be Americas local-currency growth staying below peers while operating margin compresses despite cost actions, especially if large bookings fall.

EMEA has a different moat profile. FY2025 EMEA revenue was $24.644B, 35.4% of total, with a 12.5% operating margin; TTM revenue was $26.574B with a 12.2% margin. The moat is broad geographic coverage, European regulatory and localization knowledge, and the ability to run multi-country transformations in fragmented markets. This is defensible because operating in Europe, the Middle East, and Africa requires local relationships, language coverage, labor-market knowledge, privacy compliance, and industry process depth. It is also lower-margin than the other current segments, which suggests the moat is real but not dominant. A break signal would be revenue growth supported only by acquisitions while organic margin remains structurally lower, or a wave of local and offshore competitors taking share in standardized implementation work.

Asia Pacific is smaller but currently more profitable. FY2025 Asia Pacific revenue was $9.972B, 14.3% of total, with $1.810B of operating income and an 18.2% margin. TTM revenue was $10.608B with $1.743B of operating income and a 16.4% margin. The moat here is regional delivery breadth, cyber and digital capability, and relationships with large Australian, Japanese, Southeast Asian, and multinational clients. Recent cybersecurity acquisitions such as CyberCX support the regional capability base. The segment has attractive margins, but its smaller size means it cannot carry the company if Americas or EMEA erode. The earliest warning signal would be Asia Pacific margin normalization toward lower global consulting margins while acquisitions increase goodwill without evidence of organic share gains.

The blended company moat is weaker than the strongest segment suggests. Asia Pacific's margin is high and Managed Services switching costs are real, but nearly half the company remains Consulting by service type and the largest geography is exposed to U.S. federal and discretionary enterprise spending. Accenture's moat is therefore strong enough for current economic profit but not strong enough to ignore mix, AI disruption, and customer budget cycles.

3. Margin persistence evidence

Margin persistence is the best quantitative evidence that Accenture's moat is observable rather than just narrative. Consolidated operating margin was 15.1% in FY2021, 15.2% in FY2022, 13.7% in FY2023, 14.8% in FY2024, and 14.7% in FY2025. TTM operating margin was 14.5%. This is not explosive margin expansion, but it is good durability through wage inflation, technology cycle shifts, post-pandemic demand normalization, and intense competition from strategy firms, Big Four consultancies, Indian heritage IT services companies, IBM, Capgemini, cloud managed-service providers, and AI-native entrants.

The margin pattern does not prove pricing power by itself. A professional services company can defend margin through utilization discipline, delivery mix, offshore leverage, pyramid management, automation, and cost actions even if pricing is not strong. Still, a five-year consolidated margin band of roughly 13.7% to 15.2% is meaningful for a company with FY2025

revenue of $69.673B and TTM revenue of $73.101B. Large scale has not obviously destroyed delivery quality or economics.

Segment margins add nuance. Under the current taxonomy, Americas margins were 14.4% in FY2023, 15.6% in FY2024, 15.2% in FY2025, and 15.6% for TTM. EMEA margins were 11.1%, 12.3%, 12.5%, and 12.2%. Asia Pacific margins were 17.5%, 18.0%, 18.2%, and 16.4%. The current-taxonomy period is only three annual years plus TTM, so this is not a full 10-year segment proof. But the available evidence says Accenture has maintained a mid-teens blended margin despite region-specific variation.

ROIC remains high but is declining. The data package estimates ROIC at 42.2% in FY2021, 42.4% in FY2022, 34.9% in FY2023, 30.1% in FY2024, and 27.3% in FY2025. That is still well above the Gideon minimum quality threshold, but the decline matters. Goodwill and intangibles were $24.947B at FY2025, and management expected about $9B of capital deployment in FY2026 based on acquisition timing. If acquisitions become the primary way to sustain relevance in AI, cyber, and data, the moat may remain commercially relevant while invested-capital returns continue to fade.

4. AI disruption stress test

Accenture is both a beneficiary and target of AI disruption. The company's FY2025 10-K describes significant investment in advanced AI, including generative, agentic and physical AI, and states that its AI and data workforce reached approximately 77,000 people at FY2025. The same filing also names AI as a risk: clients, partners, and AI-native companies may develop capabilities that reduce demand for Accenture services, and some tasks performed by people can be replaced by automation. This is a unusually direct risk-factor admission and should carry weight in the moat gate.

Consulting is the most exposed service layer. Many consulting deliverables include diagnosis, workflow mapping, code generation, testing, analytics, content, documentation, migration scripts, and operating-model design. A foundation model with enterprise context will not replace a full transformation partner in regulated environments, but it can reduce hours, compress timelines, and shift value from labor to tools. The moat therefore must live in trusted execution, data access, governance, industry translation, and change management, not in the production of slides, code, or process maps. The Q3 FY2026 earnings materials show Consulting revenue of $9.33B in the quarter, up only 1% in local currency, while Managed Services grew 5% in local currency. That split supports a cautious view.

Managed Services is more protected but not immune. The value is less a prompt-to-output workflow and more operational accountability: running applications, business processes, security operations, infrastructure-related services, or managed enterprise functions under contract. AI can automate tickets, monitoring, testing, knowledge management, and support. It can also strengthen Accenture's delivery economics if the company captures productivity. The key question is who keeps the benefit. If clients use renewals to demand lower prices, AI becomes margin pressure. If Accenture embeds AI into outcome-based contracts and keeps part of the efficiency, Managed Services can become more valuable.

Americas is the most exposed geography because it has the largest concentration of enterprise technology work, public-sector budget sensitivity, and AI-native competition. EMEA is protected by regulatory and localization complexity but faces slower decision-making and geopolitical variability. Asia Pacific is protected by regional execution and cyber capability, but it is small and acquisition-supported.

The most protected profit pool is high-trust, regulated, multi-year transformation plus managed operations where the client needs accountability, governance, and cross-platform integration. The most exposed profit pool is discretionary consulting or implementation work that can be modularized, automated, or shifted to platform-native vendors. Accenture's 2046 durability depends on moving the mix toward the former faster than AI compresses the latter.

5. The 2046 test

Today is June 28, 2026. The 20-year test date is June 28, 2046. A credible 2046 Accenture can be described as follows: Accenture sells AI-governed enterprise reinvention, cyber-resilient operations, industry cloud and data platforms, regulated workflow redesign, and managed digital operations to large corporations and public-sector bodies. The buyers are still CEOs, CIOs, COOs, CISOs, CFOs, public agency leaders, and boards that need accountable transformation in complex organizations. Americas, EMEA, and Asia Pacific still exist as operating markets, but the economic lens is more likely service-platform and industry depth than geography. Consulting as a labor-intensive advice-and-build business has withered; managed transformation, cyber operations, AI governance, regulated workflow orchestration, and industry-specific operating platforms have grown. Operating margin is directionally stable to modestly higher only if Accenture captures AI productivity through outcome pricing and proprietary delivery platforms. It is lower if AI productivity is competed away.

That description is specific enough to avoid a generic "leader in future technology" claim, but it is not certain enough for a clean PASS. The 2046 moat would be high-trust procurement plus regulated workflow accountability plus global delivery scale. Clients would pay Accenture because they cannot safely stitch together AI agents, data governance, cybersecurity, compliance, cloud infrastructure, sector workflows, and change management across thousands of employees and dozens of countries without a trusted prime contractor. In that world, Accenture looks less like a body-shop consultant and more like a managed transformation operator.

The bear-case 2046 description is also plausible. In the bear case, enterprise AI platforms, hyperscalers, software vendors, and client internal teams capture most of the productivity and workflow knowledge. AI agents handle code migration, test generation, support, documentation, analytics, and process redesign with fewer external consultants. Platform vendors build implementation layers directly into software. Large clients retain their own AI transformation offices. Accenture remains large but lower-growth, more price-competitive, and more dependent on acquisitions to refresh capabilities. The company still exists, but its premium moat erodes into procurement access and labor coordination, which is not enough for a 20-year compounder PASS.

The probability of the bear case is not remote. Accenture itself flags AI-native competition and automation of tasks in its 10-K risk factors. The company is responding with AI workforce expansion, ecosystem partnerships, and acquisitions in cybersecurity and AI-related capabilities. The response is credible, but it requires continuous reinvention. For Gideon calibration, that makes the 2046 test YELLOW: there is a believable future high-return Accenture, but it depends on active adaptation rather than a self-reinforcing structural moat.

6. Competitive threat inventory

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
AI-native delivery compression	AI tools reduce coding, testing, analytics, documentation, support, and process-design labor; new entrants price outcomes with smaller teams	Americas, Consulting-heavy work, parts of EMEA	Consulting local-currency growth below market, billable utilization pressure, lower pricing on renewals, fewer large transformation bookings	High
Platform and hyperscaler vertical integration	Cloud, ERP, CRM, cybersecurity, and AI vendors bundle implementation, agents, and managed services into their own ecosystems	All geographies; technology implementation and managed services	Top partner revenue grows but Accenture take-rate falls; clients buy more direct vendor services; partner marketplaces disintermediate integrators	Medium-high
Low-cost and specialized services competition	Indian heritage IT services firms, Big Four, boutiques, and regional players attack standardized work or premium advisory niches	Americas and EMEA most visible; Asia Pacific local markets	Segment margin compression, higher win-rate disclosures by peers, Accenture relying on acquisitions to defend growth	Medium
Public-sector and regulated-budget reset	U.S. federal and other government programs pause, shrink, or rebid under new procurement priorities	Americas; Health and Public Service industry layer	Management raises federal impact estimate, Health and Public Service weakens, DSOs rise, bookings delay	Medium

7. Pricing power verification

The evidence for pricing power is mixed. Accenture does not disclose price increases, renewal uplift, churn, net revenue retention, utilization, or segment-level contract escalators. The data package explicitly classifies segment headcount, utilization, pricing, and delivery-center margin as true non-disclosures after searching official sources. Therefore, pricing power cannot be asserted in the same way it could be for a software company with disclosed retention and seat expansion.

Observable indirect evidence is still positive. Consolidated operating margin held in a narrow mid-teens band from FY2021 through TTM despite inflation, talent-market volatility, and changing demand. Segment margins under the current taxonomy remained stable to improving from FY2023 to FY2025, with Asia Pacific structurally higher and Americas stable. Q3 FY2026 operating margin expanded 20 basis points to 17.0%, and gross margin was roughly flat at 32.8% versus 32.9% in the prior-year quarter. This suggests Accenture can manage delivery cost and mix, but it does not prove unilateral price increases.

Contract structure provides some switching-cost support. Managed Services work is more likely to include multi-year commitments, service-level governance, and embedded operations. New bookings were $19.32B in Q3 FY2026, including $9.06B of Managed Services bookings and $10.26B of Consulting bookings. TTM book-to-bill was 1.1 in the Q3 FY2026 earnings presentation. Those figures indicate continuing demand and backlog-like visibility, but they do not identify price

escalators or minimum commitments by segment.

The correct conclusion is that Accenture has procurement power and delivery-cost discipline, not cleanly observable pricing power. That distinction matters. Procurement power gets Accenture invited and can support premium rates for complex programs. Pricing power means the company can raise price without losing volume. The current disclosures support the first claim better than the second.

8. Moat verdict

Moat gate: YELLOW

2046 test: YELLOW

Accenture has a real moat today: global delivery scale, client trust, complex-program procurement access, industry translation, partner ecosystem depth, and managed-services switching costs. The margin and ROIC evidence support an above-average business, with FY2021-FY2025 operating margin holding roughly 14%-15% and FY2025 ROIC still above 25% despite a declining trend. The moat is strongest in large regulated transformations and managed operations, and weakest in discretionary consulting or modular implementation work that AI and platform vendors can automate.

The gate is not a clean PASS because the 20-year durability question is unresolved. AI can both expand Accenture's addressable market and compress the labor economics that support a large services business. Primary-source risk factors explicitly acknowledge AI-native competition, client and partner insourcing, task automation, and pressure to develop new pricing models. Pricing power is also not directly disclosed: there are no price-increase, churn, utilization, or renewal-rate metrics. YELLOW can upgrade to PASS if Accenture sustains mid-teens operating margins while organic growth and large bookings remain healthy through the AI transition, Managed Services continues to grow faster than Consulting without margin dilution, and the company discloses or demonstrates outcome-based pricing that lets it keep part of AI productivity. It would downgrade to FAIL if Consulting stagnates, managed-services renewals reprice downward, ROIC continues to fall through acquisition-heavy reinvention, or large clients and platform vendors absorb the AI transformation role directly.

Primary sources referenced include Accenture FY2025 Form 10-K, Accenture Q3 FY2026 earnings release, Accenture Q3 FY2026 earnings presentation, and the run-local `data_package.md` source pack under `C:\Users\Admin\OneDrive\GPT\ER 2.0\Accenture\data_package_sources`.

Appendix B1 - Americas

Americas - Segment Deep Dive

Date: 2026-06-28 Ticker: ACN Company: Accenture Segment: Americas Stage 0 anchor: fiscal year ends August 31; TTM ends May 31, 2026; forward horizon is May 31, 2031. Core data source: `data_package.md`. Accenture historical revenue, operating income, margin, recent-quarter trend, and management commentary in this appendix are taken from the data package rather than re-fetched. External sources are used only for competitive and market context.

0. Segment Boundary And Taxonomy Note

Americas is one of Accenture's three current reportable operating segments, alongside EMEA and Asia Pacific. Per the data package taxonomy section, Americas includes North America and Latin America, and FY2025 was the first annual report using the current geographic-market presentation. The FY2025 Form 10-K restated FY2023 and FY2024 under the current taxonomy, but FY2021 and FY2022 were presented under the prior North America, Europe, and Growth Markets taxonomy. This appendix therefore treats FY2023-FY2025 and TTM as the clean current-taxonomy history and does not compare old North America dollars directly to current Americas dollars. That boundary matters because the segment is not simply a renamed North America row; it includes Latin America and reflects a current management reporting structure. The appendix uses FY2023-FY2025 current-taxonomy history, TTM ending May 31, 2026, and an exactly five-year forward horizon ending May 31, 2031.

Two disclosure constraints also govern the model. First, Accenture does not disclose Americas revenue by type of work, industry group, product SKU, GenAI, cybersecurity, cloud, or application services. Second, it does not disclose operating income by service type or industry group. The data package explicitly classifies those as true non-disclosures after official-source searches. To build a bottom-up forecast anyway, this appendix uses two modeling lines: Americas consulting-sensitive work and Americas managed-services-sensitive work. Those line bases are estimated by applying the company-wide TTM consulting and managed-services mix from the data package to the disclosed Americas TTM revenue. The forecast tables label that as an estimate and flag the missing segment service split as a data gap. The segment total, TTM revenue, TTM OI, and TTM margin remain official data-package figures.

1. What This Segment Actually Is

Americas is Accenture's largest geographic market. It includes the United States, Canada, and Latin America. In practical terms, the segment is the company's North American enterprise transformation engine plus a smaller but strategically useful Latin American presence. The customer base spans large corporations, public-sector entities, healthcare payers and providers, banks, insurers, retailers, consumer-products companies, industrials, energy and utilities firms, and technology and media clients. Accenture sells to C-suites and functional leaders, but it monetizes through a blend of advisory, systems integration, implementation, application services, cloud migration, cybersecurity, data and AI work, business process operations, and ongoing managed services.

The segment's pricing model is not a single product price. It is a portfolio of professional-services and managed-services economics. Consulting-sensitive work is more discretionary, project-based, and exposed to client decision cycles. A transformation project may begin with strategy, process redesign, architecture, data-platform work, cloud migration, ERP modernization, cybersecurity, or AI use-case roadmapping. Revenue can be time-and-materials, fixed fee, milestone-based, or outcome-linked, but the economic substance is that Accenture sells expert labor, delivery methods, proprietary assets, ecosystem relationships, and program execution. Managed-services-sensitive work is more recurring, operational, and embedded. It can include application maintenance, cloud operations, business process services, security operations, data operations, and outsourcing-like scopes under multi-year contracts. Managed services is not riskless, but it tends to have better revenue visibility once won.

The Americas go-to-market model is industry-led. Accenture does not report segment revenue by industry inside Americas, but the total-company industry groups in the data package show Communications, Media and Technology; Financial Services; Health and Public Service; Products; and Resources. In Americas, the load-bearing verticals are likely U.S. financial services, healthcare, public sector, retail and consumer, technology and communications, energy, and manufacturing. The data package does not allow a quantified Americas industry mix, so the model does not assign dollar weights to those verticals. Instead, it uses the segment's own disclosed revenue and OI as the base and treats vertical mix qualitatively when assessing growth and margin.

Americas is strategically important because it is both the largest profit pool and the most contested market. The data package shows FY2025 Americas revenue of $35.057 billion, 50.3% of Accenture's total revenue, and operating income of $5.324 billion at a 15.2% margin. TTM revenue rose to $35.919 billion and TTM OI to $5.616 billion, implying a 15.6% TTM margin. The segment therefore contributes roughly half of company revenue and more than half of segment operating income before corporate-level items. A one-point growth or margin miss in Americas matters more to the consolidated model than a similar miss in Asia Pacific.

2. Current Economics

Americas is mature, scaled, and profitable, but not fast-growing on the latest disclosed trend. The data package's current-taxonomy history shows Americas revenue of $32.193 billion in FY2023, $32.552 billion in FY2024, and $35.057 billion in FY2025. That is a two-year CAGR of roughly 4.4%, with only 1.1% growth in FY2024 followed by 7.7% growth in FY2025. The TTM revenue base is $35.919 billion. The most recent quarterly trend shows Americas revenue of $8.804 billion in Q4 FY2025, $9.080 billion in Q1 FY2026, $8.896 billion in Q2 FY2026, and $9.138 billion in Q3 FY2026. The corresponding reported U.S.-dollar YoY growth rates were 5%, 4%, 4%, and 2%. The latest quarter therefore points to deceleration, not acceleration.

Profitability is better than the consolidated average on a TTM basis and has improved from FY2023. Americas operating income was $4.644 billion in FY2023, $5.080 billion in FY2024, and $5.324 billion in FY2025. Margins were 14.4%, 15.6%, and 15.2%, respectively. The TTM margin was 15.6%, with quarterly margins of 11.2% in Q4 FY2025, 16.8% in Q1 FY2026, 15.7% in Q2 FY2026, and 18.7% in Q3 FY2026. The Q4 margin is seasonally low in the data package's quarterly table, so the full TTM margin is the better forward base. The latest Q3 margin is strong, but it should not be annualized blindly because professional-services delivery economics can move with utilization, timing of costs, bonus accruals, subcontractor mix, and seasonal revenue.

Capital intensity is low at the consolidated company level. The data package shows capex intensity below 1.2% of revenue across FY2021-FY2025, with FY2025 capex of $0.600 billion on $69.673 billion of revenue. Segment-level capex is not disclosed. For Americas, the key reinvestment is not physical capital; it is hiring, training, retention, M&A, AI tooling, cybersecurity capability, industry assets, delivery centers, and partner certifications. The balance-sheet and capital-allocation sections show that acquisitions are an important growth and capability lever. Management expected approximately $9 billion of capital deployment in FY2026 because of acquisition closing dates, and FY2026 nine-month acquisitions net of cash acquired were already material at $3.004 billion. That matters for Americas because U.S. and Canadian clients are often early adopters of Accenture's new AI, cloud, cyber, and industry-platform offerings, and because acquisitions can bring scarce talent or software-like capabilities into the segment.

The product-level economics are not directly disclosed. Accenture provides company-wide revenue by type of work: Consulting and Managed Services. For the TTM period, the data package gives quarterly consulting revenue of $8.772 billion, $9.415 billion, $8.860 billion, and $9.328 billion, totaling $36.375 billion. Managed Services revenue was $8.824 billion, $9.328 billion, $9.184 billion, and $9.390 billion, totaling $36.726 billion. The mix is therefore almost exactly balanced at the company level, with Consulting at 49.8% and Managed Services at 50.2% of TTM revenue. Because Americas segment service mix is not disclosed, this appendix uses that company-wide split as the forecast proxy. The explicit data gap is that the actual Americas mix may be different, especially if the U.S. federal, healthcare, and financial-services base carries a different managed-services intensity than EMEA or Asia Pacific.

3. Unit Economics

Americas unit economics are primarily people, process, and delivery economics. Revenue is earned when Accenture deploys teams against client transformation or operating scopes. Gross profit depends on utilization, billing rates, subcontractor use, pyramid shape, offshore and nearshore leverage, wage inflation, attrition, and the degree to which proprietary assets speed delivery. Operating profit then depends on sales coverage, partner ecosystem costs, training, delivery tooling, local office infrastructure, and acquisition integration. Because the segment is mature, margin improvement usually comes from mix and execution rather than from a simple scale curve.

Consulting-sensitive work has the more cyclical revenue profile. Clients can delay discretionary transformation, strategy, systems integration, and new build work when budgets tighten or when geopolitical and policy uncertainty rises. The data package's management commentary says Americas should not be modeled as uniformly strong because U.S. federal and discretionary consulting are near-term constraints. It also says the Middle East impact was all consulting type of work, a statement that directly supports higher cyclicality for consulting even though the Middle East is outside Americas. In the

Americas model, consulting-sensitive work therefore receives lower forward CAGRs and more margin downside in the bear case.

Managed-services-sensitive work has more visibility but can still be lumpy at booking points. The data package says Q3 FY2026 new bookings were $19.3 billion and that managed-services bookings were pressured by moved opportunities. It also says some large managed-services opportunities moved into FY2027. That is important: managed services is more recurring after contract start, but revenue recognition depends on winning, renewing, transitioning, and ramping large deals. A delayed large managed-services opportunity can make a quarter look weak without destroying the long-term revenue base, but it also reduces confidence in near-term acceleration.

Margins can break in several ways. The first is utilization: if consulting demand slows faster than headcount can be adjusted, bench costs pressure margins. The second is wage and skill inflation: AI engineers, cloud architects, cybersecurity specialists, and industry consultants command high compensation, especially in the United States and Canada. The third is pricing pressure: clients are increasingly aware that generative AI can automate documentation, testing, code migration, customer support, and process analysis, and they may demand productivity savings. The fourth is contract risk: managed-services contracts can carry service-level obligations, transition costs, and automation investment before margins mature. The fifth is acquisition integration: the OT cybersecurity transactions and other deals can add high-growth capability but also amortization, integration cost, and dilution before scale benefits appear.

The margin support is equally real. Accenture has a deep delivery network, repeatable methods, large partner ecosystems, and enough client access to redeploy teams across industries. The company can use global delivery and AI tooling to reduce delivery cost per unit of output. Its scale helps in training, certifications, vendor alliances, knowledge reuse, and procurement. The data package's TTM Americas margin of 15.6% is therefore credible as a base, but the model does not assume large structural expansion. The base case reaches only a 15.9% TTM+5 operating margin, a modest 30 bps improvement from TTM. The bull case reaches 16.7%, while the bear case falls to 14.2%.

4. Competitive Dynamics

Americas competes against global strategy firms, Big Four consulting networks, Indian and global IT services vendors, cloud specialists, cybersecurity providers, federal integrators, software vendors' professional-services arms, and internal client teams. The direct competitor set depends on the scope. For C-suite digital reinvention, Accenture faces Deloitte, IBM Consulting, PwC, EY, KPMG, McKinsey, BCG, Bain, Slalom, and specialized boutiques. For cloud migration and application modernization, competitors include IBM, Deloitte, TCS, Infosys, Wipro, Cognizant, Capgemini, HCLTech, NTT DATA, Kyndryl, EPAM, Globant, and cloud-native specialists. For federal work, the relevant set includes Deloitte, Booz Allen Hamilton, Leidos, CGI Federal, Guidehouse, IBM, and other government contractors. For cybersecurity and OT security, Accenture competes with managed security providers, pure-play security software companies, cloud security vendors, and industrial cybersecurity specialists.

The external market context supports modest growth, not a boom. Mordor Intelligence estimated the North America management consulting services market at $146.17 billion in 2026 and forecast $174.38 billion by 2031, a 3.59% CAGR. The same source described digital transformation consulting as the faster-growing service line and noted that advisory budgets are tilting toward digital transformation, generative-AI enablement, and private-equity value creation. It also flagged competitive intensity from technology integrators and niche AI specialists, while saying consulting majors retain an edge in large complex programs. That maps well to Accenture Americas: the company is exposed to a mature market, but the demand pool is still shifting toward the kinds of large, cross-functional technology transformations where Accenture has scale.

Cloud and public-cloud transformation remain contested but important. A Gartner public-cloud IT transformation services report hosted by Accenture says Accenture completed 4,500 PCITS migration projects, with 47% of its PCITS customers in North America, and named primary verticals including retail, financial services and insurance, and government. The same report's peer entries show that TCS, Deloitte, Cognizant, IBM, Wipro, Infosys, and other firms also have meaningful North American cloud-transformation presence. This is not a winner-take-all market. Accenture's advantage is breadth, client access, and transformation orchestration; the disadvantage is that large Indian IT services firms and cloud specialists can be aggressive on price and delivery automation.

Public sector is both opportunity and risk. Federal modernization, cybersecurity, infrastructure, and health programs can support demand, but the data package already flags federal drag for Americas. FEDmanager reported in 2025 that GSA asked agencies to review consulting contracts and specifically listed Accenture Federal Services among the firms agencies were asked to focus on. The same article noted that continuing contracts required signed statements that they were mission critical and provided substantive technical support. That does not mean Accenture Federal collapses; it means government

consulting is politically exposed and may require clearer proof of mission value. The Americas model therefore does not give federal demand a premium growth assumption.

Accenture's AI and cybersecurity positioning gives it a chance to defend wallet share. Accenture announced in January 2026 that Gartner recognized it as a Leader in digital technology and business consulting services, and the release emphasized end-to-end Reinvention Services across strategy, consulting, technology, operations, Song, and Industry X. More recently, Accenture announced agreements to acquire a majority stake in Dragos and all of runZero and NetRise, expanding from a $10 billion cybersecurity business into OT cybersecurity software and services. That transaction is relevant to Americas because Dragos is based in Maryland, runZero and NetRise are based in Austin, and the target market includes power grids, pipelines, manufacturing, distribution facilities, and data centers. The acquisition does not justify a step-change in Americas revenue by itself, but it strengthens the case that Accenture can participate in higher-growth cyber and industrial-AI security budgets.

5. Moat At The Segment Level

Americas has a real but imperfect segment moat. The strongest moat element is client embedment. Large enterprises do not easily swap out a transformation partner that understands their applications, cloud architecture, data estate, regulatory environment, industry workflows, and operating model. Once Accenture manages systems, supports operations, or runs a large transformation office, it has context and trust that are hard for a challenger to replicate. This is especially true in regulated industries such as banking, insurance, healthcare, public sector, energy, and utilities.

The second moat element is breadth. Americas clients increasingly want combined strategy, technology, security, data, AI, cloud, implementation, operations, and change management. A narrow boutique may be sharper in one niche, and an Indian IT services firm may be cheaper in delivery, but a global enterprise often values one prime contractor that can design, build, migrate, operate, and govern. Accenture's breadth is not just a marketing claim; the data package's revenue split between Consulting and Managed Services shows that the company has both project and operating exposure at scale. The external Gartner recognition for digital technology and business consulting services also supports the breadth point, though it should be treated as qualitative evidence rather than a forecast input.

The third moat element is ecosystem access. Hyperscalers, enterprise software vendors, cybersecurity vendors, data-platform companies, and AI providers need implementation partners. Accenture's scale and certifications help it sit near the center of that ecosystem. Its ability to invest in proprietary assets, train large numbers of employees, and make acquisitions gives it a moving toolkit rather than a static labor pool. In Americas, where clients often adopt new software and cloud architectures early, that ecosystem position matters.

The moat is not absolute. Switching costs are high for embedded work but lower for new consulting scopes. Pricing power is constrained because clients run competitive RFPs and can compare Accenture against Deloitte, IBM, TCS, Infosys, Cognizant, Wipro, Capgemini, and internal teams. Generative AI is a double-edged sword: it creates consulting demand for strategy, governance, data readiness, security, and workflow redesign, but it also automates portions of code migration, testing, documentation, knowledge management, support, and analysis. If Accenture cannot pass through productivity as margin while preserving client value, AI becomes a margin headwind rather than a moat enhancer.

On a 5-10 year view, Americas should retain a moat in large complex transformation and managed operations, but the moat is not strong enough to underwrite high-single-digit growth from the current base without evidence. The latest Americas YoY trend is only 2% in Q3 FY2026. The segment's defensible position is enough to support a base case above the broader North America management-consulting forecast, because Accenture's addressable market includes managed services, cloud, security, data, AI, and operations beyond pure consulting. It is not enough to assume a return to pandemic-era or early-cloud-era growth.

6. Historical Growth Rates

The table below reproduces the clean current-taxonomy history from `data_package.md`. Americas segment figures are disclosed directly in Section 3. Product-level, service-level, and industry-level revenue inside Americas is not disclosed; this appendix therefore does not fabricate those histories. The old FY2021-FY2022 North America row is not included in the CAGR because the data package warns that it is not directly comparable to current Americas.

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	Clean current-taxonomy CAGR	Most recent YoY	Data package cite
Americas total, current taxonomy	$32.193B FY2023	$32.552B FY2024	$35.057B FY2025	4.4% FY2023-FY2025	7.7% FY2025; Q3 FY2026 USD YoY 2%	data_package Section 3 rows 108-110; Section 5 rows 170-175
Americas consulting-sensitive work	n/d by segment	n/d by segment	n/d by segment	n/d	Company-wide Consulting Q3 FY2026 YoY 4%	[DATA GAP: segment-level service revenue is not disclosed]; data_package Section 4 rows 137-140; Section 5 rows 188-193
Americas managed-services-sensitive work	n/d by segment	n/d by segment	n/d by segment	n/d	Company-wide Managed Services Q3 FY2026 YoY 8%	[DATA GAP: segment-level service revenue is not disclosed]; data_package Section 4 rows 137-140; Section 5 rows 188-193

Arithmetic tie-out for the disclosed Americas row: FY2023 revenue of $32.193B compounded at the two-year CAGR of 4.4% ties to FY2025 revenue of $35.057B within rounding. The one-year checks also tie: $32.193B x 1.011 = about $32.552B for FY2024, and $32.552B x 1.077 = about $35.057B for FY2025. The TTM row in the data package separately sums Q4 FY2025 through Q3 FY2026 revenue of $8.804B, $9.080B, $8.896B, and $9.138B to $35.919B, again within rounding.

The most important historical conclusion is that Americas is not currently a high-growth segment. A 4.4% clean-taxonomy two-year CAGR is respectable for a mature professional-services business, but it is not enough by itself to prove a long-term compounding engine. The more recent quarterly sequence weakens the growth claim: 5%, 4%, 4%, and 2% YoY revenue growth in U.S. dollars across the last four quarters. The forecast should therefore start from low-to-mid-single-digit organic demand and require evidence from AI, cybersecurity, managed services, and mid-market platforms before moving higher.

7. Management Guidance

The data package provides management commentary that is relevant to Americas, but it does not give a precise Americas revenue guide. The relevant comments are directional rather than numerical. Angie Park, CFO, said in Q3 FY2026 that the company would "deliver or exceed all aspects of our guidance." The data package interprets this as evidence that management did not cut the core FY2026 framework despite Q3 bookings softness. For Americas, that supports a base case of continued growth rather than a sudden contraction, but it does not support a sharp acceleration.

Julie Sweet, CEO, is paraphrased in the data package as saying broad revenue growth continued across markets, industry groups, and types of work, with management claiming market-share gains. The interpretation is that modest base growth is still reasonable. The phrase matters because Americas is the largest market and cannot be excluded from a broad-growth claim. However, the Q3 Americas revenue growth rate of 2% shows that "broad growth" can coexist with a slow largest segment. The forecast therefore treats market-share gain as a stabilizer rather than a high-growth trigger.

The data package also records a more cautionary Q3 comment: Middle East conflict affected consulting revenue and sales, and some managed-services opportunities moved into FY2027. The Middle East element is not Americas-specific, but the implication for type of work is relevant because consulting is discretionary and can be disrupted by macro or geopolitical uncertainty. The moved managed-services opportunities matter because timing can depress bookings and revenue conversion even in more durable scopes. The model therefore lowers consulting growth in the bear case and allows managed services to remain positive but delayed.

For Americas specifically, the data package says commentary points to federal drag, mid-market opportunity, creator and social agency M&A, and OT cybersecurity expansion. It explicitly says Americas should not be modeled as uniformly strong; U.S. federal and discretionary consulting are near-term constraints. That sentence is the key guardrail for the segment forecast. It prevents a simplistic "Americas equals U.S. tech spending equals strong growth" assumption. The base case must include federal drag and discretionary consulting softness, while the bull case requires mid-market, cyber, and AI-driven transformation to offset those pressures.

Accenture Edge is relevant to the Americas long-run opportunity. The data package paraphrases management as saying Accenture Edge targets mid-market companies with repeatable, right-sized solutions. That could expand the addressable market because Accenture has historically skewed toward large enterprise transformation. But the data package also notes that this platform is still unproven and not separately disclosed. The model therefore gives it a modest positive contribution in

base and bull cases, but no separate revenue line.

Finally, capital deployment and M&A are part of management's signal. The data package says management expects approximately $9B of capital deployment in FY2026 due to acquisition closing dates. The OT cybersecurity acquisitions are externally confirmed by Accenture's June 2026 announcement. These deals can add higher-growth cyber and industrial security capabilities, particularly in the United States, but they are also initially dilutive and integration-dependent. The base case assumes acquisitions help sustain growth and protect relevance, not that they transform the segment's margin structure by themselves.

8. Forward Growth Assumptions

The model starts from Americas TTM revenue of $35.919B. Because Accenture does not disclose Americas service mix, the bottom-up split is estimated by applying the company-wide TTM service mix to Americas TTM revenue. Company-wide TTM Consulting revenue was $36.375B and Managed Services was $36.726B, so the proxy split is 49.8% consulting-sensitive and 50.2% managed-services-sensitive. That yields a TTM modeling base of $17.873B for consulting-sensitive work and $18.046B for managed-services-sensitive work. This is a modeling convenience, not a disclosed historical fact.

Base case: Americas grows at a blended 4.4% CAGR from TTM to TTM+5, roughly matching the clean FY2023-FY2025 segment CAGR but above the latest Q3 YoY rate. Consulting-sensitive work grows 3.5% as AI, data, cyber, and transformation work offset federal and discretionary consulting drag. Managed-services-sensitive work grows 5.2% because embedded operations, application services, cloud operations, and security operations should be more durable, and because moved FY2026 opportunities can still convert in FY2027. The blended base case reaches $44.479B in TTM+5 revenue.

Product	Clean current-taxonomy history	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Americas consulting-sensitive work	n/d by segment; Americas total 4.4% FY2023-FY2025	Americas Q3 FY2026 2%; company Consulting Q3 FY2026 4%	No Americas guide; federal and discretionary consulting constraints flagged	3.5%	Below FY2025 growth and below managed services because consulting is discretionary; above latest Americas YoY because AI, cyber, data, and reinvention work should keep demand positive.
Americas managed-services-sensitive work	n/d by segment; Americas total 4.4% FY2023-FY2025	Americas Q3 FY2026 2%; company Managed Services Q3 FY2026 8%	Some large managed-services opportunities moved into FY2027	5.2%	Recurring operations and delayed-deal conversion support better growth than consulting, but Q3 booking softness prevents a high-single-digit base.

Bull case: Americas grows at a blended 6.1% CAGR. Consulting-sensitive work grows 5.0% as enterprise AI scaling, cyber, cloud modernization, private-equity value creation, and mid-market packages create more demand than the latest quarter implies. Managed-services-sensitive work grows 7.2% as large delayed deals convert, AI-enabled operations reduce delivery friction, and cybersecurity operations become a larger managed scope. This case does not assume a return to extreme growth; it simply assumes Accenture takes share in higher-value transformation and managed-services pools. It reaches $48.359B in TTM+5 revenue.

Product	Clean current-taxonomy history	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Americas consulting-sensitive work	n/d by segment; Americas total 4.4% FY2023-FY2025	Americas Q3 FY2026 2%; company Consulting Q3 FY2026 4%	Management claims market-share gains and highlights mid-market opportunity	5.0%	Requires AI and reinvention budgets to scale from pilots to enterprise programs and federal drag to stabilize; still restrained by mature-market competition.
Americas managed-services-sensitive work	n/d by segment; Americas total 4.4% FY2023-FY2025	Americas Q3 FY2026 2%; company Managed Services Q3 FY2026 8%	Moved managed-services opportunities shift into FY2027 rather than disappear	7.2%	Assumes delayed large deals close, cyber and cloud operations attach to transformation work, and Accenture captures recurring scopes from AI governance and application modernization.

Bear case: Americas grows at only a 1.5% blended CAGR. Consulting-sensitive work grows 0.5% because U.S. federal pressure, internal client AI centers of excellence, budget scrutiny, and pricing pressure suppress discretionary programs. Managed-services-sensitive work grows 2.5%, still positive because embedded operations do not disappear, but lower than the base because large deals are delayed, repriced, or partly automated by clients and software vendors. The bear case

reaches $38.742B in TTM+5 revenue.

Product	Clean current-taxonomy history	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Americas consulting-sensitive work	n/d by segment; Americas total 4.4% FY2023-FY2025	Americas Q3 FY2026 2%; company Consulting Q3 FY2026 4%	Federal and discretionary consulting constraints flagged	0.5%	Assumes clients delay projects, use internal AI teams for repeatable analysis, and demand productivity savings that reduce billable growth.
Americas managed-services-sensitive work	n/d by segment; Americas total 4.4% FY2023-FY2025	Americas Q3 FY2026 2%; company Managed Services Q3 FY2026 8%	Managed-services opportunities moved into FY2027, but conversion uncertain	2.5%	Embedded operations keep revenue positive, but new deal timing, pricing pressure, and automation benefits flowing to clients limit growth.

The thesis-consistency check is straightforward. The base case blends to 4.4%, which is close to the clean current-taxonomy FY2023-FY2025 CAGR and modestly above the most recent 2% quarterly YoY. That requires some recovery from Q3 softness but not a heroic acceleration. The bull case is meaningfully better than recent Americas growth and therefore requires management's market-share claims, AI conversion, cyber demand, mid-market expansion, and managed-services deal conversion to show up in bookings. The bear case is anchored to the latest deceleration and assumes the 2% Q3 trend is not a one-quarter trough.

9. Forward Operating Margin Assumptions

The current TTM margin for Americas is 15.6%. The model does not have disclosed margin by consulting or managed services, so the service-line margins below are modeling assumptions calibrated to reproduce plausible segment-level margins, not historical facts. Consulting-sensitive work is modeled with lower bear-case margin because underutilization and discretionary softness can hurt. Managed-services-sensitive work is modeled with slightly higher base and bull margins because mature operations, automation, and recurring delivery can scale, but with bear downside if clients force productivity savings into price.

Product	Current margin anchor	Bear TTM+5y margin	Base TTM+5y margin	Bull TTM+5y margin	Margin mechanism
Americas consulting-sensitive work	Segment TTM margin 15.6%; service margin n/d	13.5%	15.0%	15.7%	Bear reflects utilization and pricing pressure; base assumes stable utilization; bull assumes AI tooling offsets wage inflation.
Americas managed-services-sensitive work	Segment TTM margin 15.6%; service margin n/d	14.8%	16.7%	17.6%	Bear reflects transition costs and price sharing; base assumes automation and recurring scale; bull assumes security and cloud operations mix improves.
Americas total	Disclosed TTM margin 15.6%	14.2%	15.9%	16.7%	Weighted result from the two modeling lines; no undisclosed product margin is treated as fact.

The base margin assumption is intentionally conservative. It moves the segment from 15.6% TTM to 15.9% in TTM+5, only about 30 bps of expansion. The main support is delivery automation, recurring managed-services scale, and better absorption of sales and training expense across a larger revenue base. The main offset is wage inflation, acquisition integration, cyber talent cost, client pricing pressure, and the need to share AI productivity benefits.

The bull margin of 16.7% is plausible but not the base case. To get there, Accenture would need stronger utilization in consulting, higher-value cybersecurity and data work, managed-services automation, and disciplined acquisition integration. The Dragos, runZero, and NetRise transaction could help mix if it creates software-enabled cyber pull-through, but it is initially dilutive and should not be treated as an immediate margin unlock.

The bear margin of 14.2% is also plausible. It would occur if consulting slows, managed-services deals are repriced, clients internalize repeatable AI work, and Accenture absorbs wage or transition costs before revenue catches up. The business is asset-light, so the downside is not capital destruction in the industrial sense. The risk is lower revenue per professional, lower billable utilization, and less pricing power in work that AI tools make easier to benchmark.

10. Segment Rollup

The rollup is built from the two modeling lines described above. The base TTM revenue split is estimated from company-wide TTM service mix and applied to the disclosed Americas TTM revenue. Each case compounds the line item for exactly five years from the TTM end date of May 31, 2026 to May 31, 2031. Operating income equals TTM+5 revenue multiplied by the assumed line margin. Segment margin is the revenue-weighted average of line margins.

Case	Modeling line	TTM revenue base	CAGR TTM to TTM+5y	TTM+5y revenue	TTM+5y margin	TTM+5y operating income
Bear	Americas consulting-sensitive work	$17.873B	0.5%	$18.325B	13.5%	$2.474B
Bear	Americas managed-services-sensitive work	$18.046B	2.5%	$20.417B	14.8%	$3.021B
Bear	Americas total	$35.919B	1.5% blended	$38.742B	14.2%	$5.496B
Base	Americas consulting-sensitive work	$17.873B	3.5%	$21.228B	15.0%	$3.184B
Base	Americas managed-services-sensitive work	$18.046B	5.2%	$23.252B	16.7%	$3.883B
Base	Americas total	$35.919B	4.4% blended	$44.479B	15.9%	$7.067B
Bull	Americas consulting-sensitive work	$17.873B	5.0%	$22.811B	15.7%	$3.581B
Bull	Americas managed-services-sensitive work	$18.046B	7.2%	$25.548B	17.6%	$4.497B
Bull	Americas total	$35.919B	6.1% blended	$48.359B	16.7%	$8.078B

Arithmetic tie-out: in each case, segment revenue equals consulting-sensitive revenue plus managed-services-sensitive revenue. Bear revenue is $18.325B plus $20.417B, or $38.742B. Base revenue is $21.228B plus $23.252B, or $44.479B. Bull revenue is $22.811B plus $25.548B, or $48.359B. Operating income similarly ties to line revenue multiplied by line margin. The base case produces $3.184B plus $3.883B, or $7.067B, and the segment margin is $7.067B divided by $44.479B, or 15.9%.

The model's economic message is that Americas can remain a solid profit compounder without heroic assumptions, but it is not the part of Accenture where the strongest revenue acceleration should be assumed. Base-case operating income grows from $5.616B TTM to $7.067B in TTM+5, a 4.7% CAGR. That is slightly above revenue growth because of modest mix and automation leverage. Bull-case operating income grows to $8.078B, while bear-case operating income is essentially flat at $5.496B despite revenue growth, because margin compression offsets much of the top-line gain.

11. Key Risks And Wildcards

Federal and public-sector pressure is the first Americas-specific risk. The data package flags federal drag, and external reporting confirms that federal consulting contracts have faced scrutiny. This is primarily a bear-case risk. If federal budget pressure persists, consulting scopes can be delayed, recompeted, reduced, or forced into lower-margin terms. The offset is that mission-critical technology modernization, cybersecurity, and health systems work can remain durable, but the burden of proof is higher.

Discretionary consulting cyclicality is the second risk. Americas clients can delay large transformation programs when macro uncertainty, rates, geopolitical risk, or AI strategy confusion rises. A pipeline of pilots does not equal revenue. If clients spend 2026-2027 experimenting with internal tools rather than committing to scaled programs, consulting-sensitive growth could undershoot the base case. This is a bear and base risk.

AI disruption is both wildcard and threat. It creates demand for data architecture, governance, workflow redesign, security, and change management. It also automates portions of Accenture's own delivery. If Accenture uses AI to reduce delivery cost while preserving value-based pricing, margins can expand. If clients demand that productivity be passed through or use AI-native vendors for narrower scopes, revenue and margin can compress. This affects all cases, with productivity capture supporting bull margin and client pass-through driving bear margin.

Managed-services deal timing is another risk. The data package says some large managed-services opportunities moved into FY2027. If those deals were timing shifts, base and bull growth are intact. If they reflect slower client decisions, pricing conflict, or scope redesign, managed-services growth should be lower. This is a base-case monitoring item because the model assumes managed services grows faster than consulting.

Talent and wage inflation remain important. Americas requires expensive skills: AI architects, data engineers, security specialists, cloud professionals, industry experts, and program leaders. Mordor Intelligence flags talent poaching and wage inflation as a margin headwind in North America. This is primarily a bear/base margin risk: Accenture's scale helps, but it does not immunize the segment from compensation pressure, attrition, or the need to keep training ahead of client demand.

M&A integration is a wildcard. The OT cybersecurity acquisitions can strengthen Accenture's position in critical infrastructure, industrials, energy, utilities, and data centers. They also raise execution risk. The announced transaction is large relative to the acquired ARR and initially dilutive, according to Accenture's own announcement. This is a bull/bear swing factor: if integration works, Americas can attach higher-growth cyber software and services to existing clients; if it does not, the segment absorbs complexity without much revenue acceleration.

Competitive price pressure is persistent. Deloitte, IBM, TCS, Infosys, Cognizant, Wipro, Capgemini, hyperscalers, software vendors, and boutiques can attack different parts of the scope. This is mainly a bear-case revenue and margin risk. Accenture's breadth protects large end-to-end programs, but not every engagement needs Accenture's full stack. In a slower growth environment, clients may unbundle work, use lower-cost providers, or demand outcome pricing.

The largest positive wildcard is successful enterprise AI scaling. Many organizations have pilots, but fewer have scaled governance, data quality, security, operating-model redesign, and production workflows. This is the main bull-case upside lever. If the market moves from pilots to scaled reinvention programs, Americas could outgrow the base case. That would show up first in bookings, consulting growth stabilization, managed-services conversion, and improved utilization.

Ending Summary

Americas is Accenture's largest segment and remains a high-quality asset, but the current evidence supports disciplined modeling rather than aggressive extrapolation. The disclosed TTM base is $35.919B of revenue and $5.616B of operating income at a 15.6% margin. Clean current-taxonomy revenue growth from FY2023 to FY2025 was 4.4% annualized, but the latest quarterly revenue growth slowed to 2% in Q3 FY2026. Management commentary supports continued growth, market-share claims, mid-market opportunity, and cybersecurity expansion, but it also flags federal drag, discretionary consulting pressure, and managed-services timing risk.

The base case projects TTM+5 revenue of $44.479B, operating margin of 15.9%, and operating income of $7.067B. The bull case reaches $48.359B of revenue, a 16.7% margin, and $8.078B of operating income. The bear case reaches $38.742B of revenue, a 14.2% margin, and $5.496B of operating income. The key model swing factors are whether consulting stabilizes above the latest 2% Americas growth rate, whether managed-services opportunities convert in FY2027, and whether AI acts more as a demand generator and productivity tool than as a pricing deflator.

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$38.742B	14.2%	$5.496B	25%
Base	$44.479B	15.9%	$7.067B	55%
Bull	$48.359B	16.7%	$8.078B	20%

Source Notes

Primary Accenture historicals and management commentary: `data_package.md`, especially Sections 1, 3, 4, 5, 6, and 10. External competitive context used in Section 4: Accenture's January 2026 Gartner recognition release at [Accenture newsroom](https://newsroom.accenture.com/news/2026/accenture-named-a-leader-in-gartner-magic-quadrant-for-digital-technology-and-business-consulting-services); North America consulting market forecast from [Mordor Intelligence](https://www.mordorintelligence.com/industry-reports/north-america-management-consulting-services-market); federal consulting scrutiny from [FEDmanager](https://www.fedmanager.com/news/trump-administration-pushes-agencies-to-cut-consulting-contracts); public-cloud transformation competitive context from the Gartner PCITS report hosted by [Accenture](https://www.accenture.com/content/dam/accenture/final/accenture-com/document-4/PCITS-Report-Magic-Quadrant-for-P-823162-ndx.pdf); OT cybersecurity transaction context from [Accenture newsroom](https://newsroom.accenture.com/news/2026/accenture-to-strengthen-critical-infrastructure-defense-with-end-to-end-cybersecurity-platform-in-age-of-ai-driven-cyber-threats-and-geopolitical-risk).

Data Gap Flags Inserted

[DATA GAP: segment-level service revenue is not disclosed.] [DATA GAP: product SKU revenue, including GenAI, cloud, cybersecurity, data, and application services, is not disclosed by segment.] [DATA GAP: operating income by service type and industry group is not disclosed.] [DATA GAP: segment bookings, headcount, utilization, pricing, and delivery-center margin are not disclosed.]

Appendix B2 - EMEA

Appendix B - EMEA Segment Deep Dive

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Segment: EMEA Fiscal year end: August 31 TTM anchor: Q4 FY2025 + Q1 FY2026 + Q2 FY2026 + Q3 FY2026, ending May 31, 2026 Forward horizon: May 31, 2031 Currency and units: USD billions unless otherwise stated.

This appendix uses `data_package.md` as the single source of truth for Accenture historicals and management commentary. No Accenture historical data was re-fetched for this appendix. External research was used only for competitive and market context, primarily PAC's EMEA vendor ranking commentary, Gartner's 2026 IT spending outlook, Capgemini's 2025 trading commentary, and TCS investor-relations material availability.

0. Segment Boundary And Taxonomy Note

EMEA is one of Accenture's three current reportable geographic markets: Americas, EMEA, and Asia Pacific. The boundary is clean only from FY2023 onward in the current taxonomy. The data package states that FY2025 was the first annual report using the current Americas, EMEA, and Asia Pacific presentation, and that the FY2025 Form 10-K provides restated FY2024 and FY2023 under that taxonomy. FY2021 and FY2022 were reported under North America, Europe, and Growth Markets, so the old "Europe" line is not a valid historical proxy for current EMEA. This appendix therefore treats FY2023, FY2024, FY2025, and the TTM period ending May 31, 2026 as the usable dollar history. Any longer-term context is explicitly total-company or old-taxonomy context, not a same-segment trend.

The segment is not a product line. It is a geographic management and reporting unit spanning Europe, the Middle East, and Africa. Accenture discloses EMEA revenue and operating income, but it does not disclose EMEA revenue by service type, industry group, country, client cohort, bookings, headcount, utilization, or delivery-center economics. That disclosure boundary matters for the forecast. A model that splits EMEA into consulting, managed services, cloud, data, AI, cybersecurity, or industry verticals would look more granular but would not be tied to disclosed EMEA dollars. This appendix therefore builds the bottom-up segment model from the disclosed EMEA segment total and uses service, industry, and competitor evidence only as directional support.

1. What This Segment Actually Is

EMEA is Accenture's client-service platform across Europe, the Middle East, and Africa. It contains consulting and managed-services work delivered to large enterprises, public-sector bodies, financial institutions, industrial companies, energy and resources clients, healthcare systems, consumer-products companies, and communications and technology clients. It is a demand-side geographic segment, not a delivery-location segment. Revenue is generated where client relationships and market accountability sit, while delivery can involve onshore teams, nearshore centers, offshore teams, industry specialists, alliance partners, and acquired boutiques.

The customer is typically a large organization with complex technology and operating-change requirements. In EMEA, that means global banks and insurers in the UK and continental Europe, public-sector and health systems in larger European markets, energy and utility companies across Europe and the Middle East, consumer and industrial manufacturers, telecommunications groups, and government-linked entities in the Gulf. The segment also includes newer mid-market and specialized opportunities where Accenture can standardize delivery patterns, but the disclosed segment economics are still dominated by enterprise and government clients rather than a pure small-business platform.

The offering set is broad. Consulting revenue covers strategy, technology consulting, systems integration, cloud migration, data and AI programs, cybersecurity strategy, digital core modernization, enterprise application work, change management, and industry transformation projects. Managed Services revenue covers recurring or multi-year run and transform work: application management, infrastructure operations, business process operations, security operations, data operations, and outsourced support for client technology stacks. The data package is clear that Accenture discloses service revenue only at the company level, not by EMEA. It also confirms that product SKU revenue, including GenAI, cloud, cybersecurity, data, and application services, is a true non-disclosure.

The pricing model is a mix of time-and-materials, fixed-price project work, outcome-linked arrangements, managed-services contracts, and long-cycle transformation programs. A pure software company can show ARR, seats, or retention. EMEA cannot. The economically important drivers are bookings quality, conversion of discretionary consulting demand into executed

projects, renewal and expansion of managed-services work, labor leverage, pyramid structure, offshore and nearshore delivery mix, subcontractor use, wage inflation, utilization, pricing discipline, and country mix. The data package searched for segment bookings, headcount, utilization, pricing, and delivery-center margin and classified them as true non-disclosures.

The go-to-market motion is relationship-driven. Accenture sells through senior client-account leaders, industry groups, technology and ecosystem partnerships, and local market leadership. EMEA has an advantage in the largest transformation programs because clients often want a single accountable integrator with local regulatory fluency, country presence, access to large delivery capacity, and the ability to bridge strategy, implementation, operations, and change management. It also faces strong local and regional competition because procurement teams can unbundle work across strategy firms, systems integrators, Indian IT services firms, cloud specialists, cybersecurity boutiques, engineering firms, and public-sector incumbents.

2. Current Economics

The current EMEA revenue base is $26.574B on a TTM basis, built from Q4 FY2025 through Q3 FY2026 in data package Section 3, "TTM by current reportable segment," which traces the values to official SEC filings. TTM operating income is $3.234B, implying a 12.2% operating margin. For the most recent full fiscal year, FY2025, EMEA revenue was $24.644B, operating income was $3.091B, and operating margin was 12.5%, all from data package Section 1 and Section 3, sourced to FY2025 Form 10-K Note 15. EMEA represented 35.4% of FY2025 company revenue and 30.2% of FY2025 segment operating income before corporate-level items, based on those same FY2025 Form 10-K Note 15 rows.

The recency trend is better than the annual margin line would imply. Data package Section 5 shows EMEA revenue of $6.196B in Q4 FY2025, $6.935B in Q1 FY2026, $6.569B in Q2 FY2026, and $6.873B in Q3 FY2026, sourced to the Q4 FY2025 and Q1-Q3 FY2026 SEC earnings exhibits. The corresponding reported U.S.-dollar year-over-year revenue growth rates were 10%, 8%, 13%, and 10%. Q3 FY2026 EMEA revenue growth of 10% was stronger than Americas growth of 2% and Asia Pacific growth of 7% in the same quarter. The segment's margin, however, has been more volatile: Q4 FY2025 was 10.7%, Q1 FY2026 was 13.0%, Q2 FY2026 was 10.3%, and Q3 FY2026 was 14.5%, from data package Section 5's quarterly operating income table sourced to the FY2025 Form 10-K quarterly table and FY2026 Q1-Q3 Forms 10-Q. That quarterly range is a warning against overfitting the latest high-margin quarter.

The full-year margin pattern is more stable. EMEA operating margin improved from 11.1% in FY2023 to 12.3% in FY2024 and 12.5% in FY2025, then settled at 12.2% on a TTM basis. The improvement from FY2023 to FY2025 suggests that the current EMEA organization has some operating leverage and delivery discipline, but the TTM decline from FY2025 shows that the margin is not a one-way scale story. Mix, start-up costs, project timing, Middle East conflict effects, country-level softness, and consulting utilization can offset scale benefits.

Capital intensity is not disclosed by segment. At the company level, data package Section 7's FMP cash-flow annual table shows capex intensity below 1.2% of revenue in each FY2021-FY2025 year, with FY2025 capex of $0.600B; data package Section 2's FMP income-statement annual table shows FY2025 revenue of $69.673B. That supports an asset-light interpretation for EMEA, but segment invested capital is not available. EMEA's economic capital is mostly human capital, local market leadership, client relationships, delivery methods, intellectual property, partner certifications, acquired capabilities, and working capital. Accenture can scale revenue without heavy physical assets, but it cannot scale without hiring, training, retention, M&A integration, and utilization discipline.

[DATA GAP: Accenture does not disclose EMEA revenue by service type, industry group, country, bookings, headcount, utilization, or capital employed. The model therefore uses disclosed EMEA segment totals and does not allocate undisclosed company-level service mix into EMEA.]

3. Unit Economics

EMEA unit economics are consulting and managed-services labor economics with enterprise-account pricing. Revenue becomes profit through the spread between client billing and the cost of delivery, plus leverage from reusable methods, offshore and nearshore delivery, partner assets, automation, and scale in account management. The segment's operating income includes local selling, delivery, and segment management costs. It does not disclose gross margin or product-level contribution margin, so the relevant observed unit-economic output is segment operating margin.

The first driver is utilization. In consulting-heavy work, idle bench time, slow project starts, client deferrals, and lower discretionary demand can quickly pressure margin because labor costs are semi-fixed in the short run. The data package notes that management said the Middle East impact was all consulting type of work. That matters for EMEA because the

conflict and related slower decision-making can hit consulting bookings and conversion before it hits managed-services renewals. A consulting slowdown does not need to destroy revenue to hurt margin; it can reduce utilization, increase selling effort, and shift the mix toward lower-margin transition work.

The second driver is contract type. Managed services are typically more recurring and can produce leverage when contracts mature, automation improves, and delivery centers gain density. They can also hurt near-term margin when large deals have transition costs or when pricing is aggressive. The data package states that some large managed-services opportunities moved into FY2027. For EMEA, that creates a timing issue: the segment may show strong revenue growth from existing work while new managed-services conversion lags, or it may see future growth once those opportunities close. Since segment-level bookings are not disclosed, the model cannot directly observe whether EMEA has a backlog cushion.

The third driver is country and client mix. EMEA is not homogeneous. UK financial services and public sector, France and Germany industrial demand, Benelux and Nordics digital programs, Italy and Spain recovery, Gulf public-sector and infrastructure programs, and African growth markets have different pricing, wage, and risk profiles. PAC's EMEA ranking commentary reported that Accenture remained the EMEA IT services leader in its 2024 ranking and discussed uneven country performance, including France, the UK, Germany, Spain, Benelux and Nordics. That supports the idea that EMEA growth is a mosaic of local cycles rather than a single clean macro beta.

The fourth driver is wage inflation and pyramid structure. Accenture's advantage is not merely that it has people. It can staff programs with a mix of senior industry experts, architects, delivery managers, junior consultants, offshore teams, and partner-certified specialists. Margin improves when work can be standardized, automated, and delivered with the right pyramid. Margin weakens when scarce AI, security, cloud, or enterprise-platform talent must be paid up, when local regulatory needs require expensive onshore staffing, or when acquisitions bring higher-cost specialist teams that need integration before scale benefits appear.

The fifth driver is pricing power. EMEA pricing power is real but bounded. Accenture can price for accountability, delivery risk, regulatory knowledge, ecosystem access, and multi-country execution. But procurement teams can compare Accenture against Capgemini, TCS, Infosys, IBM Consulting, Deloitte, Sopra Steria, Atos or Eviden, local consultancies, hyperscaler professional services, cybersecurity specialists, and independent contractors. When work is strategic, complex, regulated, or multi-domain, Accenture's pricing power is higher. When work is staff augmentation, commodity application maintenance, or narrowly scoped implementation, pricing power falls.

The observed 12.2% TTM margin is therefore neither structurally capped nor automatically expandable. A reasonable five-year base case allows modest improvement to 12.8%, not because of generic scale, but because delivery automation, managed-services maturity, AI tooling, and better deal selection should offset wage inflation and local-market volatility. A bull case reaches 13.5% if EMEA captures more high-value AI, data, cybersecurity, cloud, and sovereign-transformation work while sustaining utilization. A bear case falls to 11.4% if consulting softness, conflict-related delays, pricing pressure, and wage inflation overwhelm automation benefits.

4. Competitive Dynamics

EMEA is one of the most competitive IT services regions in the world because it combines large enterprise budgets, fragmented national markets, regulated sectors, strong local incumbents, and global delivery competition. Accenture competes with global consultancies, Indian IT services firms, European-origin systems integrators, public-sector specialists, cloud and cybersecurity specialists, and the professional-services arms of large technology vendors.

The most relevant large competitors are Capgemini, TCS, Infosys, Cognizant, IBM Consulting, Deloitte, EY, PwC, KPMG, Sopra Steria, Atos or Eviden, NTT Data, Wipro, HCLTech, EPAM, and local specialists in each country. Capgemini is the clearest EMEA peer because it is European-headquartered, has deep France and continental Europe exposure, and overlaps with Accenture in technology transformation, applications, engineering, cloud, data, and managed services. TCS and Infosys are important because they bring offshore delivery scale, strong managed-services credentials, and pricing pressure. Deloitte and the Big Four are important in strategy, transformation, regulatory, and enterprise change. Sopra Steria and Atos matter in European public sector and local-market work.

External evidence points to a selective, not booming, demand environment. Gartner's February 2026 worldwide IT spending forecast expected global IT spending to grow 10.8% in 2026 to $6.15T, with software spending up 14.7% and data center systems up 31.7%. That is supportive for technology budgets, but it does not translate one-for-one into consulting revenue because much of the fastest growth is infrastructure, software, and AI server spend. Services vendors benefit when clients need integration, modernization, security, governance, and operating-model change, but they can also face margin pressure if

clients demand productivity from GenAI and automation.

Capgemini's 2025 commentary is useful because it shows how the European services market can be soft even while AI demand is strategically strong. In H1 2025, Capgemini reported H1 revenue of EUR11.107B, down 0.3% reported and up 0.2% at constant currency, with operating margin stable at 12.4%. It described demand as soft, clients focused on efficiency and cost transformation, and discretionary spending muted. It also said France declined 5.0% year over year while the UK and Ireland grew 6.0%. In Q3 2025, Capgemini reported better constant-currency growth of 2.9%, raised its 2025 growth target to 2.0% to 2.5%, and said demand remained driven by cloud, data, AI, efficiency, and optimization. That pattern is close to Accenture EMEA's reality: structural demand exists, but clients are selective.

PAC's EMEA IT services ranking commentary is particularly relevant because it ranked Accenture as the EMEA market leader, with Capgemini second and TCS third in its 2024 ranking commentary. PAC reported that Accenture raised its EMEA revenue by 2.5% in euros, Capgemini lost ground with a 0.5% decline, and TCS grew 4.5% in EMEA. It also described uneven country-level performance. This is not a perfect source for Accenture's official reporting, but it supports a competitive conclusion: Accenture has leading scale in EMEA, yet it does not own the market. Strong peers can win share in specific countries, sectors, and delivery models.

Pricing power is strongest where Accenture can combine local regulatory fluency, C-suite access, industry depth, and execution capacity. Examples include large ERP transformations, sovereign cloud strategy, public-sector digital modernization, cybersecurity operating models, complex bank and insurer transformations, energy-transition data platforms, and post-merger integration. Pricing power is weakest in application maintenance, testing, commodity outsourcing, staff augmentation, and projects that can be cleanly specified and auctioned to offshore-heavy vendors. Over five years, GenAI cuts both ways: it can let Accenture deliver more value and defend margin, but it also gives clients a reason to demand productivity-based price reductions.

Entry barriers are moderate to high at the enterprise-transformation level and low at the task level. A boutique can enter cybersecurity, data engineering, ServiceNow, Salesforce, SAP, cloud architecture, or design. It cannot easily replicate Accenture's multi-country account footprint, global delivery bench, partner certifications, balance sheet, M&A engine, and ability to be accountable for a large transformation. Therefore the moat is not in "IT services" generally. It is in integrated, high-stakes programs where failure risk is costly and clients prefer a prime contractor with scale.

External competitive sources used in this appendix: PAC EMEA ranking commentary at https://sitsi.pacanalyst.com/top-15-it-services-in-emea/; Gartner 2026 IT spending outlook at https://www.gartner.com/en/newsroom/press-releases/2026-02-03-gartner-forecasts-worldwide-it-spending-to-grow-10-point-8-percent-in-2026-totaling-6-point-15-trillion-dollars; Capgemini H1 2025 results at https://www.capgemini.com/news/press-releases/h1-2025-results/; Capgemini Q3 2025 revenue release at https://www.capgemini.com/news/press-releases/capgemini-q3-2025-revenues/; TCS investor-relations financial statements page at https://www.tcs.com/investor-relations/financial-statements.

5. Moat At The Segment Level

EMEA has a real but not impregnable moat. The strongest part of the moat is client trust at scale. Large European, Middle Eastern, and African clients often need multi-year programs that cross strategy, technology, security, regulatory compliance, workforce change, and managed operations. Accenture can occupy the prime contractor position because it has local leadership, global delivery capacity, industry expertise, and a reputation for handling complexity. Once embedded in a client's architecture, data, operating processes, and transformation roadmap, the switching cost is meaningful.

The second moat source is ecosystem breadth. EMEA clients buying SAP, Microsoft, Salesforce, ServiceNow, Oracle, Workday, AWS, Google Cloud, cybersecurity tooling, data platforms, and GenAI systems need integrators. Accenture's partnerships, certifications, delivery playbooks, and reference clients reduce perceived execution risk. A narrow specialist can beat Accenture in a niche, but many clients need a firm that can coordinate the whole program and stand behind the result. This is especially true in regulated industries where data residency, governance, auditability, and local accountability matter.

The third moat source is talent and knowledge reuse. Accenture can reuse methods, architectures, delivery accelerators, and industry templates across markets. In EMEA, this is valuable because similar regulatory and operational challenges recur across banks, utilities, insurers, telecom operators, public-sector agencies, and industrial companies. A reusable method does not make consulting software-like, but it improves delivery quality, reduces reinvention, and supports margin.

The fourth moat source is M&A and capability replenishment. Accenture can acquire specialist firms in cybersecurity, data, cloud, design, engineering, and industry niches, then cross-sell those capabilities into large accounts. The data package highlights recent cybersecurity-related activity at the company level, including OT cybersecurity moves and CyberCX. Those

are not EMEA-specific disclosures, but they illustrate how Accenture uses acquisitions to refresh capabilities where clients are spending. The risk is that M&A increases goodwill and integration complexity. If acquired boutiques lose talent or fail to cross-sell, the moat becomes expensive maintenance rather than compounding.

The weaknesses are also real. First, IT services has limited product lock-in compared with software. A client can multi-source work, rebid towers, or pressure rates. Second, GenAI and automation can compress the labor-arbitrage model if clients demand fewer billable hours or productivity givebacks faster than Accenture can create new high-value work. Third, national champions and public-sector procurement rules can favor local vendors. Fourth, EMEA includes geopolitical and macro risk, especially around Middle East conflict, European budget caution, energy prices, public-sector cycles, and currency translation.

On a five- to ten-year view, the segment moat is durable enough to support mid-single-digit revenue growth and modest margin improvement, but not durable enough to underwrite software-like economics. The base case should therefore avoid extrapolating Q3 FY2026's 10% revenue growth and 14.5% margin. It should instead recognize that Accenture can gain share in complex transformation while still operating inside a competitive, labor-intensive, procurement-heavy market.

6. Historical Growth Rates

The table below reproduces the clean current-taxonomy segment history from data package Section 3 and the TTM quarterly build from data package Sections 3 and 5. The "CAGR" column uses the available FY2023 to FY2025 current-taxonomy period. Because the current taxonomy has only three annual points, it is a two-year CAGR over FY2023-FY2025, not a five-year same-boundary CAGR.

Product / sub-segment	FY2023 revenue	FY2024 revenue	FY2025 revenue	TTM revenue	FY2023-FY2025 CAGR	Most recent YoY	Data package cite
EMEA geographic market	$22.293	$22.818	$24.644	$26.574	5.1%	10.0% in Q3 FY2026	Data package Section 3 current-taxonomy EMEA row from FY2025 Form 10-K Note 15; Section 3 TTM EMEA row from official SEC filings; Section 5 Q3 FY2026 row from SEC Q3 FY2026 earnings exhibit
EMEA service split	n/d	n/d	n/d	n/d	n/d	n/d	Data package Section 10: segment bookings and service mix are true non-disclosures after SEC earnings exhibit and transcript search
EMEA industry split	n/d	n/d	n/d	n/d	n/d	n/d	Data package Section 10: operating income and industry data by segment are not disclosed after FY2025 10-K and FY2026 10-Q search
EMEA country split	n/d	n/d	n/d	n/d	n/d	n/d	Data package Section 0a inventory and Section 10 gaps: country-level EMEA disclosure not provided

Historical operating income and margin:

Product / sub-segment	FY2023 OI	FY2023 margin	FY2024 OI	FY2024 margin	FY2025 OI	FY2025 margin	TTM OI	TTM margin	Data package cite
EMEA geographic market	$2.483	11.1%	$2.804	12.3%	$3.091	12.5%	$3.234	12.2%	Data package Section 3 current-taxonomy EMEA row from FY2025 Form 10-K Note 15; Section 3 TTM EMEA row from official SEC filings

Recent quarterly EMEA trend:

Quarter	EMEA revenue	EMEA YoY USD growth	EMEA operating income	EMEA operating margin	Data package cite
Q4 FY2025	$6.196	10.0%	$0.663	10.7%	Data package Section 5: SEC Q4 FY2025 earnings exhibit and FY2025 Form 10-K quarterly table
Q1 FY2026	$6.935	8.0%	$0.900	13.0%	Data package Section 5: SEC Q1 FY2026 earnings exhibit and FY2026 Q1 Form 10-Q
Q2 FY2026	$6.569	13.0%	$0.677	10.3%	Data package Section 5: SEC Q2 FY2026 earnings exhibit and FY2026 Q2 Form 10-Q
Q3 FY2026	$6.873	10.0%	$0.994	14.5%	Data package Section 5: SEC Q3 FY2026 earnings exhibit and FY2026 Q3 Form 10-Q

Internal arithmetic check: $22.293B growing at 5.1% annually for two years gives approximately $24.644B, tying the FY2025 EMEA revenue row. TTM revenue of $26.574B is 7.8% above FY2025 revenue, consistent with the four reported quarters showing 8% to 13% U.S.-dollar growth. Operating margin arithmetic also ties: $3.234B divided by $26.574B equals 12.2%. No historical row is back-solved in this appendix.

[DATA GAP: EMEA service, industry, country, booking, headcount, utilization, and product revenue splits are not disclosed in the data package. The section 6 product table therefore uses the disclosed EMEA geographic market as the only dollar-modeled line.]

7. Management Guidance

Management commentary relevant to EMEA is concentrated in the Q3 FY2026 transcript summary in data package Section 6. The data package paraphrases management rather than giving a long transcript extract, and this appendix uses that same constraint. The relevant points are:

Data package row	Management quote or paraphrase	Segment interpretation
Section 6 Q3 FY2026 CFO row, FMP transcript dated 2026-06-18, Angie Park	Short quote: "deliver or exceed all aspects of our guidance"	Management did not reduce the full-year framework despite Q3 booking softness. That supports using a positive base case, but it is not a segment-specific guide.
Section 6 Q3 FY2026 CEO row, FMP transcript dated 2026-06-18, Julie Sweet	Paraphrase: broad revenue growth continued across markets, industry groups, and types of work, with management claiming market-share gains	EMEA's 10% Q3 revenue growth fits the broad-growth statement. The model can assume share gains, but not at Q3's pace indefinitely.
Section 6 Q3 FY2026 CEO row, FMP transcript dated 2026-06-18, Julie Sweet	Paraphrase: Middle East conflict affected consulting revenue and sales, and some managed-services opportunities moved into FY2027	This is the key EMEA caution. The conflict hit consulting revenue and sales, and managed-services timing risk can delay conversion.
Section 6 segment-specific table row EMEA, Q3 FY2026 transcript and Q3 exhibit	Management flagged Middle East conflict and slower decision-making, but EMEA reported 10% Q3 USD revenue growth	The base case needs to reconcile strong reported growth with geopolitical and sales-cycle risk.
Section 6 service layer row Consulting, Q3 FY2026 transcript	Management said Middle East impact was all consulting type of work	Consulting sensitivity should weigh more heavily in the bear case margin and growth assumptions.
Section 6 service layer row Managed Services, Q3 FY2026 transcript	Management said some large managed-services opportunities moved to FY2027	Delayed managed-services conversion is a bear timing risk and a bull catch-up opportunity.
Section 6 industry groups row, Q3 FY2026 transcript and 10-Q	Products and Resources were affected by indirect Middle East impact; CMT grew fastest in Q3	EMEA industry mix can swing near-term growth, but industry-level operating income is not disclosed.

The guidance anchor is therefore mixed. Management's consolidated confidence argues against modeling an abrupt EMEA slowdown from 10% latest-quarter growth to zero. At the same time, management's own explanation identifies Middle East conflict, consulting sales disruption, and managed-services timing as real issues. The base case uses those comments by fading the 10% recent growth rate to a 4.5% five-year CAGR. The bull case assumes EMEA sustains share gains, managed-services delays convert in FY2027, and AI plus cybersecurity demand offsets macro pressure. The bear case assumes the Middle East and discretionary consulting pressure persist long enough to lower utilization and hold five-year growth to 2.0%.

[DATA GAP: The data package does not provide EMEA-specific bookings, EMEA consulting versus managed-services revenue, EMEA industry revenue, or EMEA backlog. Management guidance is therefore directional rather than a direct bookings-to-revenue bridge.]

8. Forward Growth Assumptions

The forecast compounds from the TTM revenue base of $26.574B for exactly five calendar years to May 31, 2031. The model does not use FY2025 plus five years. It uses TTM ending May 31, 2026 plus five years. The forward growth assumption is deliberately below the latest reported EMEA YoY growth because the latest quarter is too favorable to extrapolate and because the data package identifies Middle East conflict, consulting sales pressure, and managed-services timing risk.

Base case:

Product	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
EMEA geographic market	5.1% FY2023-FY2025	10.0% Q3 FY2026	No segment guide; management expects to deliver or exceed company guidance	4.5%	Below latest YoY because consulting and Middle East risk should normalize growth, but close to historical CAGR because Accenture remains an EMEA leader and demand for cloud, data, AI, security, and efficiency programs persists.
Undisclosed EMEA service, industry, and country mix	n/d	n/d	Management says Middle East impact was consulting and some managed-services opportunities moved to FY2027	n/d	Not modeled separately because the data package classifies these as true non-disclosures. The effect is embedded in the total EMEA growth line.

Bull case:

Product	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
EMEA geographic market	5.1% FY2023-FY2025	10.0% Q3 FY2026	No segment guide; management points to broad growth and market-share gains	6.5%	Assumes EMEA converts delayed managed-services opportunities, captures AI and cybersecurity transformation demand, sustains share gains versus European peers, and benefits from sovereign cloud, data governance, and regulated-industry modernization.
Undisclosed EMEA service, industry, and country mix	n/d	n/d	No segment split	n/d	Not modeled separately. Bull upside is represented through the total segment line because Accenture does not disclose the subsegment base.

Bear case:

Product	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
EMEA geographic market	5.1% FY2023-FY2025	10.0% Q3 FY2026	Management identifies Middle East conflict, consulting impact, and managed-services timing	2.0%	Assumes discretionary consulting demand weakens, Middle East and European macro uncertainty persist, clients use GenAI productivity to pressure rates, and TCS, Capgemini, Infosys, Deloitte, and local firms take share in more price-sensitive work.
Undisclosed EMEA service, industry, and country mix	n/d	n/d	No segment split	n/d	Not modeled separately. Bear risk is captured in the total EMEA growth line because undisclosed mix cannot be allocated without fabrication.

The base case implies a significant deceleration from the most recent 10% quarterly growth rate. That is intentional. EMEA grew 5.1% annually from FY2023 to FY2025 in the clean current taxonomy, while the TTM period benefited from a strong

sequence of quarters. A five-year model should not treat one year of 8% to 13% reported quarterly growth as the steady-state growth rate. The external market evidence is also selective. Gartner sees strong IT budget growth globally, but Capgemini's 2025 commentary described muted discretionary spend and efficiency-led demand. PAC's EMEA commentary shows Accenture leading the market, but also shows TCS and other peers growing in specific areas. A 4.5% base CAGR gives Accenture credit for share and structural demand while avoiding an extrapolation of recent acceleration.

The bull case is not an impossible upside case. It is a scenario where clients treat AI, cloud, cybersecurity, data modernization, and sovereign technology as must-fund priorities, and where Accenture's local relationships and delivery scale allow EMEA to compound above its FY2023-FY2025 current-taxonomy growth rate. The bear case is not a collapse case. It is a low-growth services scenario where the company still wins work but cannot escape procurement pressure, consulting cyclicality, European macro caution, geopolitical friction, and automation-driven pricing givebacks.

9. Forward Operating Margin Assumptions

The current margin base is TTM operating margin of 12.2%. FY2025 was 12.5%, FY2024 was 12.3%, and FY2023 was 11.1%. The latest quarter was 14.5%, but Q2 FY2026 was only 10.3%, so the quarterly margin range is too volatile to anchor a five-year endpoint. The model uses TTM margin as the base and projects a revenue-weighted segment margin because no product-level EMEA margin is disclosed.

Base case margin:

Product	Current margin	TTM+5y margin	Change	Mechanism
EMEA geographic market	12.2%	12.8%	+60 bps	Modest delivery automation, managed-services maturation, better utilization, and scale benefits partly offset wage inflation, local-market volatility, and competitive pricing.
Undisclosed EMEA subsegments	n/d	n/d	n/d	No product-level margin allocation is disclosed; all margin mechanics are reflected in the segment margin.

Bull case margin:

Product	Current margin	TTM+5y margin	Change	Mechanism
EMEA geographic market	12.2%	13.5%	+130 bps	Higher mix of AI, data, cybersecurity, cloud modernization, and mature managed services; stronger utilization; successful conversion of delayed managed-services opportunities; better automation of delivery.
Undisclosed EMEA subsegments	n/d	n/d	n/d	No product-level margin allocation is disclosed; bull margin is modeled at segment level.

Bear case margin:

Product	Current margin	TTM+5y margin	Change	Mechanism
EMEA geographic market	12.2%	11.4%	-80 bps	Consulting underutilization, sales delays, Middle East disruption, wage inflation, pricing concessions, and slower M&A integration offset automation and scale benefits.
Undisclosed EMEA subsegments	n/d	n/d	n/d	No product-level margin allocation is disclosed; bear margin is modeled at segment level.

The base margin expansion is deliberately below 100 bps because EMEA already improved from 11.1% in FY2023 to 12.5% in FY2025 and then eased to 12.2% on a TTM basis. Additional expansion should be possible, but it is not free. Accenture must reinvest in AI talent, cybersecurity, cloud partnerships, local regulatory expertise, and sales coverage. It must also keep acquired teams engaged and productive. In a services business, automation benefits often show up partly as client price reductions, not only vendor margin expansion.

The bull margin requires more than simple revenue growth. It requires a better revenue mix and stronger utilization. The mechanism is not "scale" in the abstract. It is higher-value work, mature managed-services contracts, productivity tooling, and more repeatable delivery. The bear margin does not assume structural damage to the franchise. It assumes enough friction to reverse some recent progress: delayed consulting decisions, pressure to pass GenAI productivity to clients, aggressive pricing from Indian and European competitors, and project start-up or transition costs.

10. Segment Rollup

The rollup uses the disclosed EMEA geographic market as the single modeled revenue line. This is the only approach that reconciles to the data package without inventing undisclosed service, industry, or country allocations. Revenue equals TTM revenue compounded for exactly five years. Operating income equals TTM+5y revenue multiplied by the case margin.

Case	Modeled line	TTM revenue	CAGR TTM to TTM+5y	TTM+5y revenue	TTM+5y op margin	TTM+5y op income	Arithmetic check
Bear	EMEA geographic market	$26.574	2.0%	$29.340	11.4%	$3.345	$29.340 x 11.4% = $3.345
Base	EMEA geographic market	$26.574	4.5%	$33.116	12.8%	$4.239	$33.116 x 12.8% = $4.239
Bull	EMEA geographic market	$26.574	6.5%	$36.409	13.5%	$4.915	$36.409 x 13.5% = $4.915

The base case adds $6.542B of revenue and $1.005B of operating income over five years. The bull case adds $9.835B of revenue and $1.681B of operating income. The bear case adds only $2.766B of revenue and $0.111B of operating income, because low growth and lower margin absorb most of the scale benefit.

The base case is the most useful planning case for the synthesis agent because it is neither a continuation of the latest-quarter 10% growth rate nor a recession case. It says EMEA remains a high-quality, growing geographic platform, but one whose margin is bounded by labor intensity and competition. The bull case is achievable if Accenture's EMEA leadership position compounds through AI, cybersecurity, cloud modernization, sovereign technology, and managed-services catch-up. The bear case is important because it shows that a services business can grow revenue but fail to compound operating income meaningfully if utilization and pricing weaken.

Reconciliation: section 8's revenue growth assumptions and section 9's margin assumptions reconstruct every number in this rollup. There are no balancing items. Because only one disclosed revenue line is modeled, product-level and segment-level totals reconcile exactly by construction.

11. Key Risks And Wildcards

Bear risk: consulting demand and sales-cycle elongation. Management specifically flagged Middle East conflict affecting consulting revenue and sales. If consulting starts slow, project scopes shrink, or clients pause discretionary transformation, EMEA can show revenue resilience but lower utilization and margin pressure. The signal to watch is another quarter in which EMEA growth stays positive but segment margin drops toward the Q2 FY2026 level.

Bear risk: procurement and GenAI price pressure. Clients are increasingly aware that AI and automation can reduce delivery effort. If they demand productivity givebacks faster than Accenture can create new high-value work, the revenue line may hold up while margin compresses. This risk is highest in application maintenance, testing, support, and standardized transformation work.

Bear risk: local-market fragmentation. EMEA includes markets with different labor laws, procurement cultures, public-sector rules, currencies, and macro cycles. France, the UK, Germany, Italy, Spain, Benelux, Nordics, Gulf markets, and Africa do not move together. External peer commentary from Capgemini and PAC shows that country-level performance can diverge materially. A broad EMEA total can mask weakness in important countries.

Bear risk: competition from offshore-heavy and local vendors. TCS, Infosys, HCLTech, Wipro, Cognizant, Capgemini, Sopra Steria, Deloitte, IBM Consulting, Atos or Eviden, and local specialists can all pressure specific work types. Accenture's brand

and scale matter most in complex transformations, but they matter less in rebid managed-services towers or narrowly scoped technical projects.

Base risk: M&A integration. Accenture's company-level capital deployment is stepping up, and the data package highlights a rising FY2026 acquisition deployment expectation. Even if not all deals are EMEA-specific, EMEA will absorb capabilities, teams, and go-to-market changes from the broader M&A engine. Integration can improve capability density, but it can also raise cost, goodwill, retention risk, and management distraction.

Bull wildcard: sovereign cloud, public-sector modernization, and regulated-industry AI. Europe and the Middle East may fund more local, secure, compliant, and sovereign technology programs. Accenture is well placed when clients need governance, integration, local presence, and execution accountability. This is a credible bull driver because it is tied to regulation and resilience, not only speculative AI enthusiasm.

Bull wildcard: managed-services catch-up. The data package states that some large managed-services opportunities moved into FY2027. If those were timing shifts rather than losses, EMEA can see a delayed conversion benefit. Managed-services wins can create multi-year revenue visibility and delivery leverage after transition costs are absorbed.

Bull wildcard: market-share gains from weaker European peers. PAC's ranking commentary shows Accenture as the EMEA leader and notes pressure at some European peers. If Accenture continues to invest while competitors restructure or defend challenged home markets, EMEA can gain share in larger transformation programs.

Ending summary:

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$29.340	11.4%	$3.345	25%
Base	$33.116	12.8%	$4.239	55%
Bull	$36.409	13.5%	$4.915	20%

The core conclusion is that EMEA is a strong but not software-like compounder. It has scale, leading competitive position, local-market depth, and exposure to durable technology modernization demand. It also has enough labor intensity, procurement pressure, geopolitical exposure, and disclosure limitations that the model should not extrapolate the latest 10% growth quarter or 14.5% margin quarter. The base case gives EMEA credit for continued share gains and structural demand, but keeps the five-year CAGR at 4.5% and endpoint margin at 12.8%. That produces $33.116B of TTM+5y revenue and $4.239B of operating income at the May 31, 2031 horizon.

Appendix B3 - Asia Pacific

Asia Pacific - Segment Deep Dive

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Segment: Asia Pacific Stage 0 anchor: FY ends August 31; TTM ends May 31, 2026; forward horizon is May 31, 2031. Currency: USD billions unless stated otherwise. Primary company data source: `data_package.md`. Company historicals, management commentary, and segment disclosures below are not re-fetched and are cited to that package.

0. Segment boundary + taxonomy note

Asia Pacific is one of Accenture's three current reportable operating segments, alongside Americas and EMEA. The data package states that FY2025 was the first annual report using the current geographic-market presentation with Americas, EMEA, and Asia Pacific, and that the FY2025 Form 10-K provides restated FY2024 and FY2023 under this current taxonomy [data_package Section 1, reporting structure]. That means the clean comparable dollar history for Asia Pacific is FY2023-FY2025 plus the Q4 FY2025 through Q3 FY2026 TTM bridge. FY2021-FY2022 "Growth Markets" is not treated as a direct Asia Pacific predecessor because the data package explicitly says Growth Markets only partly maps into Asia Pacific and other markets [data_package Section 3, prior taxonomy segment table]. This is a live taxonomy boundary, not a cosmetic footnote: a five-year old-taxonomy CAGR would overstate precision and could mix geographies that no longer sit in the same reportable segment. The model therefore uses Asia Pacific's TTM revenue of $10.608B and TTM operating income of $1.743B as the forward base, with the endpoint exactly five calendar years later on May 31, 2031 [data_package Section 3, TTM by current reportable segment].

1. What this segment actually is

Asia Pacific is Accenture's consulting and managed-services business serving clients in Asia Pacific markets. The data package defines Accenture's reportable operating segments as geographic markets rather than products, with Asia Pacific covering the Asia Pacific markets [data_package Section 1, reporting structure]. This segment is not a single product line. It is a regional operating wrapper through which Accenture sells strategy and consulting, systems integration, cloud and data transformation, managed application services, operations, cybersecurity, industry-specific transformation, and related digital work. The dollar-disclosed product taxonomy is limited: Accenture discloses companywide Consulting and Managed Services revenue and industry-group revenue, but it does not disclose those service and industry layers by geographic market [data_package Section 4, product, service, and industry disclosure]. As a result, the Asia Pacific appendix must model the segment as a geographic revenue and operating-income pool, not as a reconstructed mix of unreported service lines.

The customer base is large enterprises and public-sector organizations that need technology-enabled transformation. In Asia Pacific, the likely client mix spans Australian and New Zealand public and regulated enterprises, Japanese and Korean industrial and financial companies, Southeast Asian banks and telecoms, Indian and regional multinationals, and China-related operations where Accenture remains active subject to local demand and regulatory limits. The data package does not provide client count, country revenue, contract duration, utilization, delivery-center economics, or bookings by segment [data_package Section 10, open data gaps]. That omission matters because Asia Pacific is the smallest of the three reported markets: FY2025 revenue was $9.972B, or 14.3% of Accenture revenue, versus 50.3% for Americas and 35.4% for EMEA [data_package Section 1, FY2025 segment revenue and operating income]. Smaller scale can make country mix and project timing more visible in quarterly growth, but the segment also has room to compound if cloud, cybersecurity, sovereign AI, and managed-services demand remain healthy.

The pricing model is project and managed-service based. Consulting work is more discretionary and typically tied to transformation budgets, systems integration, and advisory-led implementation. Managed Services is more recurring and outsourcing-like, but still exposed to renewal timing and scope changes. The data package states that new bookings are material because the business is project and managed-service driven, but that bookings are not disclosed by geographic market in the 10-K segment footnote [data_package Section 0a, disclosure inventory]. Therefore this segment should be underwritten with a blend of discretionary consulting risk and longer-duration managed-services support. Asia Pacific's reported operating margin has historically been above the company average in the clean current-taxonomy years, but without country mix, service mix, or delivery-center economics, that margin advantage should not be projected mechanically.

2. Current economics (FY-1 and TTM)

FY2025 Asia Pacific revenue was $9.972B, operating income was $1.810B, and operating margin was 18.2% [data_package Section 1, FY2025 segment revenue and operating income]. For the TTM period ending May 31, 2026, revenue was $10.608B, operating income was $1.743B, and operating margin was 16.4% [data_package Section 3, TTM by current reportable segment]. The direction is important: TTM revenue is 6.4% above FY2025, but TTM margin is 180 bps below FY2025. The latest quarter, Q3 FY2026, showed Asia Pacific revenue of $2.707B, 7% reported U.S.-dollar growth, operating income of $0.473B, and a 17.5% margin [data_package Section 5, quarterly revenue by market and quarterly operating income by market]. That is healthier than the TTM margin but still below the FY2025 annual margin.

The clean current-taxonomy history is short. Asia Pacific revenue was $9.626B in FY2023, $9.526B in FY2024, and $9.972B in FY2025 [data_package Section 3, segment historicals]. This means the FY2023-FY2025 clean-taxonomy revenue CAGR was only 1.8%, despite an FY2025 rebound from the FY2024 dip. Operating income rose from $1.682B in FY2023 to $1.713B in FY2024 and $1.810B in FY2025, with margins of 17.5%, 18.0%, and 18.2% [data_package Section 3, segment historicals]. The historical picture is therefore "stable and profitable, but not yet a sustained high-growth segment." The TTM recency is better, with every quarter from Q4 FY2025 to Q3 FY2026 showing 7%-12% reported U.S.-dollar revenue growth in Asia Pacific [data_package Section 5, quarterly revenue by market].

Capital intensity is low at the company level. Accenture's FY2025 capex was $0.600B on $69.673B of revenue, or 0.9% of revenue, and capex stayed below 1.2% of revenue across FY2021-FY2025 [data_package Section 7, capital allocation history]. The data package does not disclose capex by segment or assets by segment in a way that can be converted into operating capital. For Asia Pacific, the practical capital-intensity issue is not property and equipment; it is acquisition deployment, integration risk, and people capacity. The data package notes that management expected approximately $9B of FY2026 capital deployment because of acquisition closing dates and that first-nine-month FY2026 acquisitions net of cash acquired were already $3.004B [data_package Section 7, capital allocation observations]. Asia Pacific is directly touched by this because the CyberCX acquisition adds cybersecurity capabilities in Australia, New Zealand, and internationally [data_package Section 6 segment-specific interpretation; Section 9 recent corporate actions].

The key sub-products and their share are not disclosed for Asia Pacific. Accenture discloses Consulting and Managed Services at the company level, and those categories were roughly balanced in recent quarters, but the data package explicitly states there is no segment-level service split, operating income by service type, or product SKU revenue for GenAI, cloud, cybersecurity, data, or application services [data_package Section 4, growth-only or non-disclosed categories; Section 10, open data gaps]. [DATA GAP: Asia Pacific Consulting versus Managed Services revenue and operating income are not disclosed.] [DATA GAP: Asia Pacific GenAI, cloud, cybersecurity, data, and application-services revenue are not disclosed.] The model therefore uses a single Asia Pacific reported-market line and justifies growth and margin with disclosed regional totals, companywide service trends, management commentary, and external competitive context.

3. Unit economics

Asia Pacific's unit economics are people-led and contract-led. Revenue is generated by selling expert labor, delivery capacity, software implementation know-how, industry process expertise, and managed operations. Gross profit is not disclosed by segment, so operating income is the best available profitability line. The clean historical segment operating margins were 17.5% in FY2023, 18.0% in FY2024, 18.2% in FY2025, and 16.4% for the latest TTM [data_package Section 3]. That pattern says the region can run at high-teens margins, but it also says margins are sensitive to quarterly timing, hiring, integration costs, wage inflation, mix, and possibly country currency effects.

The positive margin drivers are scale density, delivery leverage, reusable solutions, managed-services duration, and higher-value advisory or security work. In a services business, a larger local client base lets the firm deploy partners and delivery teams across multiple accounts, improves sales productivity, and makes it easier to package regional industry expertise. Cybersecurity can be margin-supportive if it brings scarce expertise, higher urgency, and managed detection or incident-response retainers. The Accenture newsroom page on CyberCX says CyberCX has approximately 1,400 skilled cybersecurity professionals and end-to-end services spanning consulting, transformation, managed security, offensive security, cyber physical security, crisis management, threat intelligence, managed detection and response, strategic advisory, identity, cloud, and network security; it also says the acquisition closed on February 27, 2026 and is Accenture's largest cybersecurity acquisition to date (https://newsroom.accenture.com/news/2025/accenture-to-acquire-cybercx-expanding-cybersecurity-capabilities-in-asia-pacific). That is exactly the type of capability that can improve regional relevance, but acquisition economics are not automatically accretive. Integration costs, retention packages, purchase accounting, and sales-force integration can absorb some of the margin benefit.

The negative margin drivers are equally real. First, consulting is cyclical. The data package says management attributed Middle East impact to consulting type of work, and consulting should carry higher cyclical and discretionary sensitivity [data_package Section 6 segment-specific interpretation]. Asia Pacific itself is not the Middle East, but the lesson is that discretionary consulting can slow quickly when clients delay transformation programs. Second, managed services can have timing risk. The data package says some large managed-services opportunities moved to FY2027 [data_package Section 6]. If the segment relies on large outsourcing or managed-services renewals, a few delayed awards can move growth without changing the long-term opportunity. Third, wage inflation and scarcity of cloud, cyber, and AI skills can pressure delivery margins. Fourth, large regional acquisitions can dilute margins before cross-selling and utilization catch up. The model therefore does not use FY2025's 18.2% margin as the base-case horizon margin. It uses 16.8%, modestly above the TTM margin but below FY2025, to reflect a recovery from TTM pressure without assuming full reversion to the highest annual margin.

AI is both a margin opportunity and a labor-arbitrage threat. Accenture can use AI tooling to raise delivery productivity, automate testing, generate code, support knowledge management, and package repeatable industry solutions. But if clients view AI as a way to reduce external labor hours, the same technology can reduce billable demand for lower-value implementation and support work. The data package states that management discusses GenAI and AI demand but provides no audited product revenue series [data_package Section 4]. This is a key underwriting constraint. The segment may benefit from AI transformation, but the appendix cannot model a separate APAC GenAI product line or margin. It must reflect AI through the consolidated regional CAGR and margin assumptions.

4. Competitive dynamics

Asia Pacific is competitive because global consultancies, Indian IT-services firms, Japanese and regional systems integrators, hyperscaler professional-services arms, cybersecurity specialists, and local boutiques all sell into the same transformation budget. Accenture's advantages are board-level relationships, industry breadth, acquisition appetite, global delivery, cloud and enterprise-software partnerships, and the ability to combine consulting with managed services. Its disadvantages are price, utilization management, and exposure to a market where offshore-led peers can underbid on run-the-business and application maintenance work.

The market backdrop is constructive but not clean. Gartner forecast worldwide IT spending to grow 10.8% in 2026, with IT services spending projected at $1.867T and 8.7% growth, and software spending projected to grow 14.7% (https://www.gartner.com/en/newsroom/press-releases/2026-02-03-gartner-forecasts-worldwide-it-spending-to-grow-10-point-8-percent-in-2026-totaling-6-point-15-trillion-dollars). Forrester's APAC technology forecast press release said Asia Pacific tech spending was expected to grow 9.3% in 2026, but also warned that rising costs, hardware volatility, energy supply disruption, and sovereignty mandates would erode real purchasing power (https://www.forrester.com/press-newsroom/asia-pacific-tech-forecast-2026/). IDC's Asia Pacific public cloud services release said public cloud services in the region were projected to grow at a 19.8% CAGR from 2025 to 2029, from $53B in 2024 to $131B by 2029 (https://my.idc.com/getdoc.jsp?containerId=prAP53739125). These external sources support a positive demand pool for cloud, software, AI infrastructure, and managed transformation, but they do not justify assuming that Accenture Asia Pacific captures market growth one-for-one. Services revenue is constrained by staffing, client budgets, competition, and the share of spending that goes to software, cloud infrastructure, hardware, or hyperscalers rather than consulting labor.

Peer data is a useful guardrail. TCS reported FY2026 revenue of $30.017B, down 0.5% year over year and down 2.4% in constant currency, with a 25% FY2026 operating margin; its Q4 FY2026 release also showed Asia Pacific at 8.3% of revenue and 2.4% FY2026 constant-currency growth (https://www.tcs.com/who-we-are/newsroom/press-release/tcs-financial-results-q4-fy-2026). Infosys reported FY2026 revenue of $20.158B, 3.1% constant-currency growth, 20.3% reported operating margin, 21.0% adjusted operating margin, and FY2027 revenue-growth guidance of 1.5%-3.5% in constant currency (https://www.prnewswire.com/in/news-releases/revenue-crosses-20-billion-mark-with-resilient-growth-of-3-1-in-fy-26-in-constant-currency-302751881.html). Those peer numbers argue against a naive double-digit base-case services CAGR. Accenture Asia Pacific's recent 7%-12% quarterly reported growth is stronger than those broad peer baselines, but the clean FY2023-FY2025 CAGR was only 1.8% and the competitive set is not standing still.

Pricing power exists in scarce and risk-heavy work, especially cybersecurity, cloud migration, data architecture, AI governance, regulated transformation, and complex multi-country programs. It is weaker in staff-augmentation, commodity application maintenance, and run-rate outsourcing. CyberCX improves the specialized end of the mix. Accenture's own CyberCX release says the acquisition expands its ability to protect critical infrastructure and support secure enterprise

reinvention amid a more complex regulatory and threat landscape, with particular strength in Australia, New Zealand, and broader APAC (https://newsroom.accenture.com/news/2025/accenture-to-acquire-cybercx-expanding-cybersecurity-capabilities-in-asia-pacific). The entry barrier is not code ownership; it is trust, certifications, delivery credibility, vendor partnerships, local regulatory knowledge, and the ability to absorb accountability for mission-critical programs. These barriers are meaningful but not impregnable.

5. Moat at the segment level

Asia Pacific's segment moat is moderate, not unassailable. The strongest source of durability is Accenture's position as a global transformation partner with local market coverage. Large clients usually do not choose a systems integrator only on day rate. They choose firms that can staff a program, integrate with hyperscalers and enterprise software vendors, manage global templates, localize delivery, and stay accountable when implementation complexity rises. Accenture's regional footprint and brand give it an advantage in that type of work. The CyberCX acquisition adds local cybersecurity credibility in Australia and New Zealand, which matters because cyber work is trust-based and often tied to regulatory obligations.

The second source of durability is switching cost. Once Accenture operates a managed service, enterprise platform, security function, or application estate, clients face transition risk in replacing it. That does not mean pricing can rise without limit, but it does create retention and renewal advantages. Managed Services revenue at the company level has grown faster than Consulting in the last reported quarters: Q3 FY2026 Managed Services revenue was $9.390B with 8% U.S.-dollar growth, while Consulting revenue was $9.328B with 4% U.S.-dollar growth [data_package Section 5, quarterly service trend]. The data package does not break this by Asia Pacific, so this is companywide service context, not a segment-specific split.

The third source is acquisition capability. Accenture can buy local expertise and plug it into global client relationships. CyberCX is the clearest Asia Pacific example in the current data package. Acquisition capability is not a pure moat, because others can also acquire and because M&A can destroy value. But in specialized services, buying scarce talent and local relationships can shorten the time needed to build a credible practice. The risk is that employee retention becomes the real asset; if acquired professionals leave, the premium paid turns into goodwill without enough client pull-through.

The threats are real. Indian IT-services companies have high margins, strong delivery bases, and increasingly sophisticated AI and cloud offerings. Hyperscalers and software vendors can attach professional services to platform spending. Local firms can win on regulatory familiarity and relationships. AI tooling can reduce the need for external labor in routine coding, testing, and support. Accenture's moat survives if it stays at the high-complexity, high-accountability layer: multi-year transformation, security, cloud/data modernization, and industry workflow redesign. It weakens if the segment mix drifts toward price-competed implementation labor.

For the next five to ten years, the defensible view is that Asia Pacific can maintain high-teens or mid-teens margins while growing at a mid-single-digit pace, with upside if cloud and cybersecurity attach to enterprise transformation and downside if clients use AI to compress external-services budgets. That is enough to support a base case above TTM revenue and modest margin recovery, but it is not enough to underwrite a bull case as the default.

6. Historical growth rates - reproduced from data package, not re-derived

The table below uses the clean current-taxonomy Asia Pacific history from the data package. FY2021-FY2022 are intentionally excluded because the data package says the old Growth Markets taxonomy only partly maps into Asia Pacific and other markets [data_package Section 3, prior taxonomy segment table]. Product-level Asia Pacific history is not available; the reported geographic market is the only dollar-disclosed line with operating income. The "3-yr CAGR" column is marked as unavailable for a true three-year current-taxonomy CAGR because no FY2022 current-taxonomy Asia Pacific revenue is disclosed. I include the FY2023-FY2025 clean-span CAGR in the note and use it as the historical growth anchor in Section 8.

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	3-yr CAGR	Most recent YoY	Data package cite
Asia Pacific reported market	9.626	9.526	9.972	n/m; clean FY2023-FY2025 CAGR 1.8%	Q3 FY2026 revenue +7% USD	data_package Section 3 row Asia Pacific; Section 5 Q3 FY2026 Asia Pacific revenue
Asia Pacific Consulting	n/d	n/d	n/d	n/d	n/d	[DATA GAP: not disclosed by segment; data_package Section 10]
Asia Pacific Managed Services	n/d	n/d	n/d	n/d	n/d	[DATA GAP: not disclosed by segment; data_package Section 10]

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	3-yr CAGR	Most recent YoY	Data package cite
Asia Pacific cybersecurity, cloud, GenAI, data, and application services	n/d	n/d	n/d	n/d	n/d	[DATA GAP: product SKU revenue not disclosed; data_package Section 10]

Arithmetic tie-out: Asia Pacific revenue moved from $9.626B in FY2023 to $9.526B in FY2024, a decline of 1.0%; $9.626B x 0.990 = $9.526B, within rounding. Asia Pacific revenue then moved from $9.526B in FY2024 to $9.972B in FY2025, growth of 4.7%; $9.526B x 1.047 = $9.972B, within rounding. The clean FY2023-FY2025 CAGR is 1.8%, calculated as ($9.972B / $9.626B)^(1/2) - 1. The TTM revenue base of $10.608B is 6.4% above FY2025 revenue; $9.972B x 1.064 = $10.608B, within rounding [data_package Section 3, TTM by current reportable segment].

The historical lesson is mixed. The clean annual CAGR is low, but the most recent four quarters show stronger reported growth: 11% in Q4 FY2025, 7% in Q1 FY2026, 12% in Q2 FY2026, and 7% in Q3 FY2026 [data_package Section 5]. The base case therefore should not anchor mechanically to 1.8%, because TTM momentum and external APAC technology spending are stronger. It also should not simply extrapolate 7%-12%, because the annual current-taxonomy record and peer growth guardrails argue for deceleration.

7. Management guidance - quoted from data package Section 6

The data package contains limited segment-specific Asia Pacific guidance. It gives one Asia Pacific interpretation line: CyberCX strengthens cybersecurity capabilities in Asia Pacific while Q3 FY2026 segment revenue grew 7%, so Asia Pacific remains smaller but has targeted cybersecurity inorganic support [data_package Section 6, segment-specific interpretation]. It also includes companywide management commentary relevant to the segment. CFO Angie Park said management expected to "deliver or exceed all aspects of our guidance" in Q3 FY2026 [data_package Section 6, management commentary table]. CEO Julie Sweet said, in data-package paraphrase, that broad revenue growth continued across markets, industry groups, and types of work, with management claiming market-share gains [data_package Section 6]. Those comments support a modest-growth base case rather than a demand-collapse case.

Management also introduced caution. The data package paraphrases Julie Sweet saying that Middle East conflict affected consulting revenue and sales and that some managed-services opportunities moved into FY2027 [data_package Section 6]. This is not Asia Pacific-specific, but it matters because the segment is sold through the same Consulting and Managed Services categories. The implication is that near-term weakness can come from project timing and geopolitical disruption even when the long-term pipeline is intact. For Asia Pacific, the base case treats recent 7%-12% reported quarterly revenue growth as a good demand signal but fades it to 5.0% over the five-year horizon.

CyberCX is the most concrete segment-relevant action. The data package states that Accenture agreed to acquire CyberCX on August 14, 2025, describing it as a cybersecurity services provider in Australia, New Zealand, and internationally [data_package Section 9]. Accenture's live newsroom page adds that the deal closed on February 27, 2026 and that CyberCX brings approximately 1,400 skilled cybersecurity professionals and AI-powered security platforms (https://newsroom.accenture.com/news/2025/accenture-to-acquire-cybercx-expanding-cybersecurity-capabilities-in-asia-pacific). This supports an Asia Pacific growth and mix tailwind, particularly in regulated cyber work, but the data package does not disclose revenue, purchase price, margin, or backlog for CyberCX. [DATA GAP: CyberCX revenue, margin, purchase price, and contribution to Asia Pacific FY2026 revenue are not disclosed in the data package.]

Management also highlighted capital deployment. The data package says management expected approximately $9B of capital deployment in FY2026 because of acquisition closing dates [data_package Section 7 and Section 9]. For Asia Pacific, that reinforces an inorganic-growth and integration-risk lens. The forecast should allow for some acquired capability support, but it should not treat acquisitions as costless organic growth. The base margin is therefore set at 16.8%, only 40 bps above TTM and 140 bps below FY2025. The bull case allows margin to recover toward 17.8% if CyberCX and broader cybersecurity mix scale efficiently. The bear case uses 14.8% if acquisition integration, wage pressure, and pricing competition pull the segment below recent norms.

8. Forward growth assumptions - explicit, per product, justified

All cases compound from the TTM ending May 31, 2026 to May 31, 2031, exactly five years. Because the data package does not disclose product-level Asia Pacific revenue, the only modeled product/sub-segment line is the Asia Pacific reported market. Non-disclosed service and product categories are not separately forecast as dollar lines. They are scenario drivers inside the regional CAGR.

Base case:

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM->TTM+5y	Justification
Asia Pacific reported market	n/m; clean FY2023-FY2025 CAGR 1.8%	Q3 FY2026 +7% USD	No segment guide; CFO said company should deliver or exceed guidance [data_package Section 6]	5.0%	TTM momentum is above the clean annual CAGR, CyberCX supports cyber mix [data_package Sections 6 and 9], but peer growth and the short clean history argue for fading toward mid-single digits.
Asia Pacific Consulting	n/d	n/d	Consulting has higher cyclical sensitivity [data_package Section 6]	n/d	[DATA GAP: no segment service split; modeled inside reported-market CAGR.]
Asia Pacific Managed Services	n/d	n/d	Some managed-services opportunities moved into FY2027 [data_package Section 6]	n/d	[DATA GAP: no segment service split; modeled inside reported-market CAGR.]
Asia Pacific cyber, cloud, GenAI, data, application services	n/d	n/d	CyberCX adds APAC cybersecurity capability; no product-dollar guide [data_package Sections 6, 9, and 10]	n/d	[DATA GAP: no Asia Pacific product-dollar history; modeled as a mix driver.]

The base-case 5.0% CAGR is deliberately below the latest 7% Q3 FY2026 growth and below the 7%-12% last-four-quarter Asia Pacific growth range. It assumes that some FY2026 strength is a mix of recovery, acquired capability, and easier comparison rather than a permanent high-single-digit organic run rate. It is still above the 1.8% clean FY2023-FY2025 CAGR because the TTM base is already materially above FY2025 and external APAC technology spending remains supportive. Gartner's global IT services forecast of 8.7% 2026 growth, Forrester's 9.3% APAC tech spending forecast, and IDC's 19.8% APAC public-cloud services CAGR are demand-tailwind evidence, but peer services growth at TCS and Infosys shows not all tech spending becomes high-growth consulting revenue.

Bull case:

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM->TTM+5y	Justification
Asia Pacific reported market	n/m; clean FY2023-FY2025 CAGR 1.8%	Q3 FY2026 +7% USD	No segment guide; cyber acquisition adds targeted capability [data_package Sections 6 and 9]	7.5%	Bull assumes APAC tech spending converts into services demand, CyberCX expands regulated cyber relationships, and Accenture captures share in cloud, AI, and managed transformation.
Asia Pacific Consulting	n/d	n/d	Consulting can recover if discretionary transformation budgets reopen; no segment guide [data_package Section 6]	n/d	[DATA GAP: no segment service split; upside reflected in reported-market CAGR.]
Asia Pacific Managed Services	n/d	n/d	Delayed opportunities can convert in FY2027 [data_package Section 6]	n/d	[DATA GAP: no segment service split; upside reflected in reported-market CAGR.]
Asia Pacific cyber, cloud, GenAI, data, application services	n/d	n/d	CyberCX and AI/cloud demand are structural tailwinds; no product-dollar guide [data_package Sections 6, 9, and 10]	n/d	[DATA GAP: no Asia Pacific product-dollar history; upside reflected in reported-market CAGR.]

The bull case uses 7.5%, not a double-digit CAGR. That is because the segment's clean annual record does not prove sustained high growth, and consulting services remain competitive. The bull case requires three things to be true at once: regional tech budgets remain strong, Accenture translates CyberCX and cloud/AI work into broader account expansion, and managed-services timing normalizes. Under that case, Asia Pacific revenue reaches $15.229B by May 31, 2031.

Bear case:

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM->TTM+5y	Justification
Asia Pacific reported market	n/m; clean FY2023-FY2025 CAGR 1.8%	Q3 FY2026 +7% USD	No segment guide; management flagged consulting and managed-services timing risks companywide [data_package Section 6]	2.0%	Bear assumes peer-like slow services growth, AI-driven labor compression, price pressure from offshore peers, and acquisition integration drag.

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM->TTM+5y	Justification
Asia Pacific Consulting	n/d	n/d	Consulting has discretionary exposure [data_package Section 6]	n/d	[DATA GAP: no segment service split; downside reflected in reported-market CAGR.]
Asia Pacific Managed Services	n/d	n/d	Opportunity timing can slip [data_package Section 6]	n/d	[DATA GAP: no segment service split; downside reflected in reported-market CAGR.]
Asia Pacific cyber, cloud, GenAI, data, application services	n/d	n/d	Cyber demand remains real but competitive; no product-dollar guide [data_package Sections 9 and 10]	n/d	[DATA GAP: no Asia Pacific product-dollar history; downside reflected in reported-market CAGR.]

The bear case does not assume revenue contraction. Asia Pacific's latest-quarter growth is still positive, the region has structural cloud and cybersecurity demand, and Accenture has local cyber capability expansion. But a 2.0% CAGR is plausible if clients delay large transformation programs, AI reduces lower-value external-services hours, local and Indian competitors compress pricing, and acquisitions fail to create cross-sell. Under that case, Asia Pacific revenue reaches $11.712B by May 31, 2031, only modestly above the TTM base.

9. Forward operating margin assumptions - explicit and justified

The current segment margin base is 16.4% on a TTM basis [data_package Section 3]. FY2025 margin was 18.2%, and the latest quarter, Q3 FY2026, was 17.5% [data_package Section 1 and Section 5]. The model uses TTM margin as the anchor because the forward horizon is TTM-based. It then adjusts by case for scale, mix, competition, and integration risk. No product-level margins are disclosed, so segment margin is modeled as a single reported-market margin. The margin cases are not mechanically tied to companywide service margins because the data package does not provide service operating income [data_package Section 10].

Product / segment line	Current TTM margin	Bear TTM+5y margin	Base TTM+5y margin	Bull TTM+5y margin	Mechanism
Asia Pacific reported market	16.4%	14.8%	16.8%	17.8%	Bear: pricing, wage, AI labor compression, integration drag. Base: modest recovery from TTM as scale and cyber mix help. Bull: cyber/cloud mix and utilization recover toward FY2025 high; margin base ties to data_package Sections 3 and 5.
Asia Pacific Consulting	n/d	n/d	n/d	n/d	[DATA GAP: operating income by service type and geography is not disclosed.]
Asia Pacific Managed Services	n/d	n/d	n/d	n/d	[DATA GAP: operating income by service type and geography is not disclosed.]
Asia Pacific cyber, cloud, GenAI, data, application services	n/d	n/d	n/d	n/d	[DATA GAP: product-level operating income is not disclosed.]

The base-case margin of 16.8% is 40 bps above TTM and 140 bps below FY2025. The specific mechanism is modest utilization recovery, cybersecurity and managed-services mix support, and some scale leverage on a $13.5B horizon revenue base, offset by wage inflation and acquisition integration. This is a conservative middle ground: it recognizes that the latest quarter was already 17.5%, but it avoids assuming that FY2025's 18.2% annual margin is the normalized level.

The bull-case margin of 17.8% is 140 bps above TTM and 40 bps below FY2025. This requires a stronger mix shift toward cybersecurity, cloud, managed detection, identity, secure cloud, and AI-enabled transformation, plus retention of CyberCX talent and efficient cross-selling. It does not go above FY2025 because peer margins show that offshore-led firms can run higher, but Accenture's consulting-led model and acquisition intensity create structural reinvestment needs. The bull case gives credit for mix and scale without treating cybersecurity as a free margin expansion machine.

The bear-case margin of 14.8% is 160 bps below TTM and 340 bps below FY2025. This case assumes price pressure, high-skill wage inflation, post-acquisition retention costs, and clients using AI productivity to demand fewer billable hours or lower run-rate pricing. It also assumes managed-services delays reduce utilization and that consulting softness cannot be fully offset by cyber demand. This is still not a collapse case. Asia Pacific has a history of positive operating income and high-teens margins in clean current-taxonomy years, so the bear margin remains profitable.

10. Segment rollup - built bottoms-up

The segment rollup has one dollar-disclosed line because Asia Pacific product and service splits are not disclosed. Each case compounds the $10.608B TTM revenue base for exactly five years and applies the case-specific horizon operating margin. The product-level sum therefore ties exactly to the segment total by construction. If later subagents obtain a reviewed Asia Pacific service split, this table should be replaced by a service-level rollup; without that reviewed split, the single-line model is the only non-fabricated approach.

Case	Model line	TTM revenue	CAGR TTM->TTM+5y	TTM+5y revenue	TTM+5y op margin	TTM+5y op income	Tie-out
Bear	Asia Pacific reported market	10.608	2.0%	11.712	14.8%	1.733	Product sum equals segment total
Base	Asia Pacific reported market	10.608	5.0%	13.539	16.8%	2.275	Product sum equals segment total
Bull	Asia Pacific reported market	10.608	7.5%	15.229	17.8%	2.711	Product sum equals segment total

Arithmetic checks: Bear revenue equals $10.608B x 1.02^5 = $11.712B, and bear operating income equals $11.712B x 14.8% = $1.733B. Base revenue equals $10.608B x 1.05^5 = $13.539B, and base operating income equals $13.539B x 16.8% = $2.275B. Bull revenue equals $10.608B x 1.075^5 = $15.229B, and bull operating income equals $15.229B x 17.8% = $2.711B. The table reconciles within 1% because all segment totals are directly reconstructable from the revenue and margin assumptions.

The base case adds $2.931B of revenue and $0.532B of operating income over the TTM base. That is meaningful but not aggressive for a $10.6B regional segment with current reported growth and cyber capability additions. The bear case adds only $1.104B of revenue but produces slightly lower operating income than the TTM base, which captures the risk that nominal growth can be offset by margin pressure. The bull case adds $4.621B of revenue and $0.968B of operating income, which requires sustained share gain and mix improvement but remains within a plausible high-case envelope if APAC cloud, cyber, and AI services demand keeps expanding.

11. Key risks and wildcards

The first risk is services commoditization from AI. This is primarily a bear-case risk. If clients deploy AI tooling to reduce coding, testing, application support, and reporting work, Accenture may need to move faster up the value chain to maintain billable value. The risk is not that Accenture cannot use AI; it is that AI makes some labor hours less scarce. This would pressure both growth and margin, especially in lower-complexity managed-services and implementation work. Because the data package does not disclose Asia Pacific GenAI revenue or productivity metrics, the model cannot offset this risk with a measured AI revenue line [data_package Section 10].

The second risk is acquisition integration. This affects all cases, but it is most visible in bear and base. CyberCX adds approximately 1,400 skilled professionals and local cyber capability, but services acquisitions depend on retention, culture, cross-selling, and utilization. If key personnel leave or if integration distracts management, Accenture could pay for capability without capturing enough revenue pull-through. If integration works well, it can shift mix toward higher-value security work and support the bull case.

The third risk is local and offshore competition. TCS and Infosys are not weak competitors; their margins are structurally high, and they continue to invest in AI-led services. TCS reported a 25% FY2026 operating margin despite revenue pressure, and Infosys guided to a 20%-22% FY2027 operating margin (TCS and Infosys sources cited in Section 4). These peers can compete aggressively on price while still earning acceptable returns. Accenture's defense is complexity, consulting relationships, and accountability, but price-sensitive clients can unbundle work.

The fourth risk is country and regulatory mix. Asia Pacific is not one market. Australia, Japan, India, Southeast Asia, Korea, and China-related work have different cycles, currencies, regulations, and procurement behavior. Forrester's APAC spending warning about sovereignty mandates, costs, hardware markets, and energy supply disruption is relevant here. Sovereignty and cyber regulation can create consulting and security demand, but they can also fragment delivery, raise compliance costs, and favor local providers. This is a base and bear risk, with bull upside if Accenture's global-local model becomes more valuable.

The fifth wildcard is cybersecurity demand. CyberCX could make Asia Pacific a stronger cyber platform for Accenture, particularly in Australia, New Zealand, critical infrastructure, managed detection and response, and sovereign cloud/security

work. That is the largest segment-specific upside wildcard. The data package, however, does not provide CyberCX revenue, margin, or backlog, so the bull case includes this as a qualitative growth/mix tailwind rather than a separate dollar line.

The sixth wildcard is managed-services timing. The data package says some large managed-services opportunities moved into FY2027 [data_package Section 6]. If those deals close and ramp, Asia Pacific could benefit from more durable revenue and better utilization. If they continue slipping, recent growth could decelerate faster than the base case.

Ending summary:

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	11.712	14.8%	1.733	25%
Base	13.539	16.8%	2.275	55%
Bull	15.229	17.8%	2.711	20%

Asia Pacific is a smaller but strategically useful Accenture segment: it has high relevance to cloud, cyber, AI transformation, and regulated enterprise modernization, and it just received a targeted cybersecurity capability addition through CyberCX. The historical record does not support an aggressive default forecast, because clean current-taxonomy revenue grew only 1.8% annually from FY2023 to FY2025 and product/service splits are not disclosed. The TTM trend is better, with $10.608B of revenue, 7%-12% reported quarterly growth across the last four quarters, and Q3 FY2026 margin at 17.5%. The base case therefore uses a 5.0% five-year CAGR and 16.8% horizon margin, producing $13.539B of revenue and $2.275B of operating income by May 31, 2031. The key DATA GAP flags are segment-level Consulting versus Managed Services, product/SKU revenue for GenAI/cloud/cyber/data/application services, CyberCX economics, bookings by segment, and segment delivery KPIs. Those gaps do not block a segment forecast, but they require the model to stay at the reported-market level and avoid fabricated product-line precision.

Appendix S - Synthesis (Combined Earnings Model)

Accenture - Appendix Synthesis / Combined Earnings Model

Production mode date: 2026-06-28 Ticker: ACN Company: Accenture Owned output: `C:\Users\Admin\OneDrive\GPT\ER 2.0\Accenture\appendix_synthesis.md`

1. Anchors

This synthesis uses the orchestrator anchors exactly. The trailing twelve month period ends on 2026-05-31 and is built from Q4 FY2025 plus Q1 FY2026, Q2 FY2026, and Q3 FY2026. The forward horizon is 2031-05-31. Accenture's fiscal year ends August 31, so this is not a fiscal-year-plus-five model; it is a TTM-to-TTM+5y model. The current price is $128.98, sourced from the latest available market quote checked during orchestration, with the last trade on Friday 2026-06-26 because today, 2026-06-28, is Sunday.

The company historical base comes from `data_package.md` only. The key consolidated figures are FY2025 revenue of $69.673B, operating income of $10.226B, net income attributable of $7.678B, diluted EPS of $12.15, and diluted share count of 632.4M. The current TTM segment base is revenue of $73.101B and operating income of $10.592B, made from Americas, EMEA, and Asia Pacific. Accenture does not disclose operating income by Consulting versus Managed Services, product SKU, GenAI, cloud, cybersecurity, data, or application-services product lines. Therefore the combined model must roll from the reviewed geographic segment appendices, not from invented product-level dollars.

The segment appendices after R review provide the final scenario endpoints. Americas contributes the largest swing: base-case revenue of $44.479B and OI of $7.067B at a 15.9% margin. EMEA contributes base revenue of $33.116B and OI of $4.239B at a 12.8% margin. Asia Pacific contributes base revenue of $13.539B and OI of $2.275B at a 16.8% margin. These are treated as reviewed inputs. This synthesis does not re-fetch company historicals, does not use local data warehouse caches, and does not override reviewed segment work.

The management and moat appendices set the judgment frame. Management is a PASS, but with monitoring conditions around acquisition intensity, ROIC stabilization, and evidence that FY2026-FY2028 M&A creates per-share value rather than just capability inventory. The moat gate is YELLOW and the 2046 test is YELLOW. Accenture has real procurement trust, scale, industry process knowledge, partner access, managed-services switching costs, and delivery credibility. The unresolved issue is whether AI compresses the labor economics of consulting and implementation faster than Accenture can move the mix toward managed transformation, cyber operations, AI governance, regulated workflow orchestration, and outcome-priced delivery.

2. Segment-Level Forward Assumptions

Segment	TTM revenue	TTM OI	TTM margin	Bear TTM+5y revenue	Bear margin	Base TTM+5y revenue	Base margin	Bull TTM+5y revenue	Bull margin	Key underwriting logic
Americas	$35.919B	$5.616B	15.6%	$38.742B	14.2%	$44.479B	15.9%	$48.359B	16.7%	Largest segment, latest Q3 growth only 2%, but managed services, cybersecurity, AI, and mid-market work support a modest base CAGR rather than a collapse.
EMEA	$26.574B	$3.234B	12.2%	$29.340B	11.4%	$33.116B	12.8%	$36.409B	13.5%	Strong latest Q3 revenue growth at 10% but exposed to Middle East conflict, slower decision-making, and country-level fragmentation.

Segment	TTM revenue	TTM OI	TTM margin	Bear TTM+5y revenue	Bear margin	Base TTM+5y revenue	Base margin	Bull TTM+5y revenue	Bull margin	Key underwriting logic
Asia Pacific	$10.608B	$1.743B	16.4%	$11.712B	14.8%	$13.539B	16.8%	$15.229B	17.8%	Smaller, higher-margin segment with CyberCX support, but clean FY2023-FY2025 history was only 1.8% CAGR and product/service splits are not disclosed.
Total company segment rollup	$73.101B	$10.592B	14.5%	$79.794B	13.3%	$91.134B	14.9%	$99.997B	15.7%	Geography rollup only; no undisclosed product SKU revenue is fabricated.

The base case is deliberately moderate. It is not a continuation of the strongest recent lines. Americas is anchored by a decelerating Q3 FY2026 revenue growth rate of 2% in U.S. dollars, but its five-year base CAGR can still sit above that quarter because the model includes AI transformation, cybersecurity, managed services, and acquisition-enabled capabilities. EMEA's base case fades the latest 10% Q3 growth to a 4.5% segment CAGR because the appendix identifies sales-cycle and geopolitical risk. Asia Pacific's base case uses a 5.0% CAGR because recent reported growth is healthy and CyberCX adds regional cyber capability, but the clean current-taxonomy history does not justify a double-digit default.

The bear case is not a recession cliff. All three segments still grow revenue from TTM to the horizon. The bear thesis is that AI-driven labor compression, discretionary consulting softness, federal and geopolitical drag, client productivity givebacks, and acquisition integration costs prevent operating income from compounding. That is why the bear rollup reaches $79.794B of revenue but only $10.574B of OI, slightly below the current TTM OI of $10.592B.

The bull case also avoids heroic assumptions. It reaches about $100.0B of revenue, not a software-like revenue explosion. The bull requires Accenture to keep its high-trust procurement role, translate AI into enterprise operating programs, convert delayed managed-services opportunities, and use cyber acquisitions to deepen regulated-industry relationships. It still assumes a people-led services business whose margins expand only to 15.7% at the consolidated segment level.

3. Combined Revenue Build

Case	Americas TTM+5y revenue	EMEA TTM+5y revenue	Asia Pacific TTM+5y revenue	Combined TTM+5y revenue	TTM revenue base	Dollar growth vs TTM	CAGR TTM to TTM+5y
Bear	$38.742B	$29.340B	$11.712B	$79.794B	$73.101B	$6.693B	1.8%
Base	$44.479B	$33.116B	$13.539B	$91.134B	$73.101B	$18.033B	4.5%
Bull	$48.359B	$36.409B	$15.229B	$99.997B	$73.101B	$26.896B	6.5%

The revenue build is a straight segment sum. Bear revenue equals $38.742B plus $29.340B plus $11.712B, or $79.794B. Base revenue equals $44.479B plus $33.116B plus $13.539B, or $91.134B. Bull revenue equals $48.359B plus $36.409B plus $15.229B, or $99.997B. The apparent $0.003B shortfall from a clean $100.000B bull total is rounding from the segment appendices, not a balancing item.

The base-case revenue CAGR of 4.5% is consistent with a mature but still relevant services compounder. FY2021-FY2025 consolidated revenue grew from $50.533B to $69.673B, but the current TTM base is already $73.101B and the segment mix has changed under the current taxonomy. The proper forward question is not whether Accenture can repeat a pandemic-era or reopening-era growth burst. It is whether it can add about $18.0B of revenue over five years while defending relevance in enterprise technology transformation. The reviewed segment work says that is plausible but not automatic.

The revenue bridge also respects the disclosure boundary. Accenture's dollar-disclosed service categories are Consulting and Managed Services, and the TTM company-wide service mix is roughly balanced. However, the company does not disclose those service splits by geography and does not disclose product SKU revenue for GenAI, cybersecurity, cloud, data, or application services. This synthesis therefore treats AI, cyber, cloud, managed services, and industry verticals as drivers inside each geographic segment's reviewed assumptions, not as separately reconstructed revenue lines.

4. Combined OI Build

Case	Americas TTM+5y OI	EMEA TTM+5y OI	Asia Pacific TTM+5y OI	Combined TTM+5y OI	Combined TTM+5y revenue	Weighted OI margin	OI CAGR vs TTM OI
Bear	$5.496B	$3.345B	$1.733B	$10.574B	$79.794B	13.3%	0.0%
Base	$7.067B	$4.239B	$2.275B	$13.581B	$91.134B	14.9%	5.1%
Bull	$8.078B	$4.915B	$2.711B	$15.704B	$99.997B	15.7%	8.2%

Operating income is the load-bearing bridge from the segment appendices to the per-share test. The base case grows segment OI from $10.592B TTM to $13.581B at the horizon. This is a 5.1% annualized OI growth rate, modestly above the 4.5% base revenue CAGR because Americas and Asia Pacific have some margin support and EMEA improves from a depressed 12.2% TTM margin to 12.8%. The model does not assume a broad structural margin breakout.

The bear case is the most important quality guardrail. It shows that revenue growth alone is not enough. Bear revenue is $6.693B higher than TTM, but OI is $0.018B lower than TTM because Americas margin falls to 14.2%, EMEA falls to 11.4%, and Asia Pacific falls to 14.8%. That is the practical AI and pricing-pressure risk: Accenture can remain large, relevant, and growing in nominal revenue while clients, competitors, and acquisition costs absorb the economics.

The bull case reaches a 15.7% weighted operating margin. That is above the TTM 14.5% margin and FY2025 14.7% margin, but still in a defensible range for a company whose FY2021-FY2025 consolidated operating margin sat around the mid-teens. Bull margin requires higher utilization, better cyber/cloud/security mix, productivity capture from AI delivery tooling, and enough pricing discipline to keep part of the efficiency. It does not require software-like gross margins or a step-change in disclosed product economics.

5. Net Income / EPS Build

Case	Combined TTM+5y OI	OI-to-NI conversion	TTM+5y net income	TTM+5y diluted shares	TTM+5y EPS	Current price	Implied P/E at current price
Bear	$10.574B	75.0%	$7.931B	616.7M	$12.86	$128.98	10.0x
Base	$13.581B	75.0%	$10.186B	592.3M	$17.20	$128.98	7.5x
Bull	$15.704B	75.0%	$11.778B	577.5M	$20.39	$128.98	6.3x

The OI-to-net-income conversion is anchored to company historicals. FY2025 operating income was $10.226B and FY2025 net income attributable was $7.678B, so net income was about 75.1% of operating income. The data package also states that FY2025 NOPAT used a 23.7% effective tax rate. For this synthesis, a 75.0% OI-to-NI conversion is used in all three cases. That embeds the effective tax burden plus small non-operating items and avoids pretending that net cash, interest income, acquisition accounting, or other below-the-line items can be forecast precisely from the available segment appendices.

The base case produces $10.186B of net income and $17.20 of EPS on 592.3M diluted shares. The EPS growth is materially stronger than net income growth because the share count path assumes ongoing buybacks, but the buyback assumption is not aggressive relative to the ER2 management appendix. Accenture has historically returned large amounts of cash, buybacks exceeded dividends in every FY2021-FY2025 year, FY2025 buybacks were $4.619B, and FY2026 repurchases were increased after a stock-price decline. The offset is that M&A intensity is stepping up and FY2026 capital deployment is expected around $9B. That is why the base share-count reduction is moderate rather than a large, price-driven retirement scenario.

The bear EPS still clears the P/E 15 gate because the starting price anchor is low relative to the historical FY2025 EPS base. This should not be misread as "no risk." The risk is that the current price may reflect market concern about consulting softness, AI disruption, and acquisition-heavy reinvention. The P/E 15 gate is a valuation hurdle, not a full business-quality verdict. The business-quality conclusion still needs the moat YELLOW and management monitoring conditions.

6. Explicit Share-Count Path

Case	FY2025 diluted shares	Annual modeled change	TTM+5y diluted shares	Five-year reduction	Capital-allocation interpretation
Bear	632.4M	-0.5%	616.7M	-15.7M	M&A and integration absorb more cash; buybacks offset SBC but do not materially shrink the base.

Case	FY2025 diluted shares	Annual modeled change	TTM+5y diluted shares	Five-year reduction	Capital-allocation interpretation
Base	632.4M	-1.3%	592.3M	-40.1M	Buybacks remain meaningful while acquisitions and dividends still consume capital.
Bull	632.4M	-1.8%	577.5M	-54.9M	Strong FCF, price-sensitive repurchases, and successful integration allow faster net retirement.

The explicit share-count path starts from FY2025 diluted shares of 632.4M because that is the latest annual share count in the data package. The model does not back-solve a synthetic TTM diluted share count from market data or unreviewed cache pulls. It applies annual modeled net reductions for five years, with scenario variation tied to capital allocation capacity.

The bear case assumes only a 0.5% annual net reduction. This recognizes that Accenture's buyback program is persistent, but it also recognizes stock-based compensation, acquisition spend, integration costs, and the possibility that management conserves cash if ROIC pressure persists. This is close to an offset-SBC outcome, not a major capital-return engine.

The base case assumes a 1.3% annual net reduction. That is consistent with the management appendix's conclusion that Accenture is a consistent capital-return company with some recent evidence of exploiting price weakness, but not a Berkshire-style price-sensitive repurchaser. A 1.3% annual reduction reduces shares from 632.4M to 592.3M, which is meaningful without being the main source of the investment case.

The bull case assumes a 1.8% annual net reduction. It requires high free cash flow, disciplined acquisition integration, and continued repurchases at attractive prices. It is not used in the P/E 15 base gate. It only shows what happens if the per-share machine works better than the base case.

7. P/E 15 Test

Test item	Value
Current price anchor	$128.98
Required horizon EPS for 15.0x P/E	$8.60
Bear horizon EPS	$12.86
Bear EPS cushion vs required	$4.26 / 49.5%
Base horizon EPS	$17.20
Base EPS cushion vs required	$8.60 / 100.0%
Bull horizon EPS	$20.39
Bull EPS cushion vs required	$11.80 / 137.2%
Gate result	PASS

The P/E 15 gate is mechanical: current price divided by 15 equals the EPS required at the 2031-05-31 horizon. At $128.98, the required EPS is $8.5987, rounded to $8.60. The base case horizon EPS is $17.20, which is about $8.60 above the required level. The base-case cushion is effectively 100.0%. The bear case also clears, with $12.86 of EPS and a 49.5% cushion.

This is a strong valuation result under the orchestrator price anchor. It should be reported as PASS, not YELLOW. The reason is not that Accenture has a perfect moat. The reason is that the P/E 15 test, at $128.98, requires less EPS than Accenture already generated in FY2025. FY2025 diluted EPS was $12.15, and even the bear case horizon EPS is $12.86. The model therefore has to suffer both margin compression and minimal share reduction before the P/E 15 arithmetic becomes tight.

The gate does not erase the ER2 qualitative cautions. Moat is YELLOW, 2046 durability is YELLOW, and management has a PASS with monitoring conditions. If the stock price anchor were much higher, or if AI disruption pushed net income below FY2025 levels for several years, the cushion would compress. Under the actual orchestrator anchors, however, the five-year base case clears the hurdle cleanly.

8. Reflexivity Check

The model is reflexive in two ways. First, the current share price influences the buyback mechanism. A lower share price lets the same repurchase dollars retire more shares, which can lift EPS even if net income growth is moderate. Accenture's June

2026 repurchase increase after a large stock-price decline is relevant, but the model does not turn that into an unlimited buyback benefit. The base share count declines only 1.3% annually because capital is also needed for dividends, M&A, integration, and workforce reinvestment.

Second, the current price may be low because the market is discounting exactly the risks that the segment and moat appendices identify. Consulting growth has slowed in Americas, managed-services opportunities moved into FY2027, Middle East conflict affected consulting revenue and sales, federal drag exists, and AI can compress parts of the labor model. The synthesis should not call the stock cheap without acknowledging why the multiple may be low.

The reflexivity answer is therefore balanced. The low price strengthens the P/E 15 gate and improves buyback accretion, but it may also be a market signal that the business mix is entering a harder phase. The correct response is to keep the valuation gate separate from the durability gate. Valuation passes. Durability remains YELLOW at the 2046 horizon. Management passes but must prove acquisition-heavy reinvention does not dilute ROIC further.

9. In-Progress FY Reconciliation

The TTM period ending 2026-05-31 includes Q4 FY2025 plus Q1-Q3 FY2026. Because Accenture's fiscal year ends August 31, FY2026 is in progress and Q4 FY2026 is not yet available in the ER2 package. This synthesis therefore does not present FY2026 as a full-year actual, and it does not annualize Q3 FY2026. The most recent quarter is used for recency and segment trend interpretation only.

The TTM segment arithmetic reconciles to the data package. Americas TTM revenue is $35.919B, EMEA is $26.574B, and Asia Pacific is $10.608B, summing to $73.101B. TTM OI is $5.616B, $3.234B, and $1.743B, summing to $10.592B after rounding. The quarterly recency table also explains why the segment assumptions differ: Americas Q3 growth was 2%, EMEA was 10%, and Asia Pacific was 7%. Using one consolidated growth rate for every geography would erase the most important current evidence.

The in-progress fiscal year also affects capital allocation. FY2026 nine-month acquisitions net of cash acquired were already material, and management expected approximately $9B of FY2026 capital deployment. This makes a simple extrapolation of historical buyback pace unsafe. The share-count path therefore allows buybacks but keeps the base reduction at 1.3% annually, below what a very aggressive repurchase model might imply at the current price.

10. Sensitivity

Sensitivity	Revenue	OI margin	OI	OI-to-NI conversion	Shares	EPS	P/E at $128.98	P/E 15 status
Bear case	$79.794B	13.3%	$10.574B	75.0%	616.7M	$12.86	10.0x	Pass
Base case	$91.134B	14.9%	$13.581B	75.0%	592.3M	$17.20	7.5x	Pass
Bull case	$99.997B	15.7%	$15.704B	75.0%	577.5M	$20.39	6.3x	Pass
Base revenue, bear margin	$91.134B	13.3%	$12.080B	75.0%	592.3M	$15.30	8.4x	Pass
Bear revenue, base margin	$79.794B	14.9%	$11.892B	75.0%	616.7M	$14.46	8.9x	Pass
Base OI, no share reduction	$91.134B	14.9%	$13.581B	75.0%	632.4M	$16.11	8.0x	Pass

The sensitivity table shows that the P/E 15 gate is not highly dependent on one favorable assumption. Even if the base revenue case earns only the bear consolidated margin, EPS is $15.30. Even if the bear revenue case earns the base consolidated margin, EPS is $14.46. Even if base OI is achieved but the share count never declines from FY2025, EPS is $16.11. All three variants clear the $8.60 required EPS.

The most plausible way for the P/E 15 gate to fail would be a structural earnings reset, not a normal scenario wiggle. For example, Accenture would need much lower revenue, materially lower margin, a weaker OI-to-NI conversion, or dilution rather than repurchases. The ER2 files do not support that as a base case. The moat appendix does support watching for that risk over a longer horizon if AI-native delivery, platform vendor vertical integration, and client insourcing absorb the economics of implementation work.

Sensitivity also highlights why the investment debate should not center only on the five-year P/E gate. At $128.98, the five-year arithmetic is forgiving. The harder question is whether Accenture deserves a high-quality compounder label beyond the five-year window. The answer from the reviewed appendices is mixed: management PASS, moat YELLOW, and 2046

YELLOW.

11. Combined Earnings Summary

Case	Revenue	OI	OI margin	Net income	Shares	EPS	Required EPS for P/E 15	EPS cushion	P/E 15 verdict
Bear	$79.794B	$10.574B	13.3%	$7.931B	616.7M	$12.86	$8.60	$4.26 / 49.5%	Pass
Base	$91.134B	$13.581B	14.9%	$10.186B	592.3M	$17.20	$8.60	$8.60 / 100.0%	Pass
Bull	$99.997B	$15.704B	15.7%	$11.778B	577.5M	$20.39	$8.60	$11.80 / 137.2%	Pass

The base case headline is $91.134B of revenue, $13.581B of operating income, $10.186B of net income, and $17.20 of EPS at the 2031-05-31 horizon. Required EPS for a 15.0x P/E at the current $128.98 price is $8.60, leaving an $8.60 cushion. The P/E 15 gate is therefore a PASS.

The earnings quality is acceptable but not pristine. The model uses the reviewed geographic segment appendices, preserves the data-package disclosure constraints, and avoids invented product revenue. However, the EPS outcome benefits from buybacks, and buybacks depend on continued cash conversion after dividends and M&A. The management appendix supports this as reasonable because Accenture has a strong capital-return record and asset-light capex needs. It also warns that acquisition intensity is rising, impairments have happened, and ROIC has declined from very high levels. The base case should therefore be paired with an acquisition-integration watch item.

The main economic finding is that Accenture does not need spectacular growth to pass the five-year valuation gate at $128.98. A mid-single-digit revenue CAGR, roughly stable consolidated margin, 75% OI-to-NI conversion, and moderate share reduction produce enough EPS. That is a favorable setup. The limiting factor is confidence in durability, not the five-year arithmetic.

The practical use of this synthesis is therefore ranking, not blind approval. If another ER2 candidate also clears its five-year P/E gate but has a clean moat PASS, less acquisition dependence, and more directly observable pricing power, that candidate may still deserve priority over Accenture. Conversely, if the final ER2 decision needs a valuation-supported WATCH or BUY candidate, Accenture's arithmetic is strong enough that the debate should focus on whether the AI and M&A risks are adequately compensated, not on whether the base model can mathematically reach the required EPS.

12. Tie-Out Checks

- Reported financial tie-out: TTM revenue of $73.101B and TTM OI of $10.592B tie to data_package Section 3 segment totals.
- NI/shares=EPS: base net income of $10.186B divided by 592.3M shares equals $17.20 EPS; bear and bull arithmetic also tie.
- Segment sum at horizon: base revenue equals $44.479B plus $33.116B plus $13.539B, or $91.134B; base OI equals $7.067B plus $4.239B plus $2.275B, or $13.581B.
- Product-to-segment rollup confirmation: no undisclosed product SKU rollup is fabricated; Americas uses reviewed service-proxy lines, while EMEA and Asia Pacific use disclosed geographic segment lines by construction.
- Weighted margin check: base OI of $13.581B divided by base revenue of $91.134B equals 14.9%; bear and bull equal 13.3% and 15.7%.
- Share-count path: FY2025 diluted shares of 632.4M compound at -0.5%, -1.3%, and -1.8% annually to 616.7M, 592.3M, and 577.5M, respectively.
- Growth plausibility: base revenue CAGR of 4.5% is between bear 1.8% and bull 6.5%, consistent with segment recency and moat YELLOW rather than a heroic high-growth forecast.
- Historical arithmetic from TTM to TTM+5y: base revenue grows from $73.101B to $91.134B over exactly five years, and base OI grows from $10.592B to $13.581B.
- Recency anchor: latest quarter is Q3 FY2026 ended 2026-05-31, with Americas 2% revenue growth, EMEA 10%, and Asia Pacific 7% in U.S. dollars.
- Sensitivity arithmetic integrity: sensitivity rows recompute EPS from OI, 75% conversion, and shares; all displayed P/E outcomes equal $128.98 divided by EPS after rounding.

- P/E 15 gate arithmetic: $128.98 divided by 15 equals required EPS of $8.60; base EPS of $17.20 leaves an $8.60 cushion.

Tie-out result: 11/11 passed.

Appendix CS - Compounder Score

Accenture - Compounder Score

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Currency: USD Current price: $128.98 TTM end: 2026-05-31 Forward horizon: 2031-05-31 Output: `C:\Users\Admin\OneDrive\GPT\ER 2.0\Accenture\appendix_compounder_score.md`

Executive Verdict

Accenture scores **63/100** under the diagnostic compounder rubric: **56/80** for business quality and **7/20** for 20% return underwriting. The score-implied classification is **Reject under the diagnostic 20% compounder rubric**, not because Accenture is a poor business and not because the ER2 five-year P/E 15 gate fails. The opposite is true: the verified synthesis shows the P/E 15 gate passes cleanly at the supplied $128.98 price. The base case reaches $17.20 of EPS at the 2031-05-31 horizon versus only $8.60 required for a 15.0x P/E at the current price. The diagnostic rejection comes from a different hurdle: the evidence does not support a 20% annualized shareholder return without terminal multiple expansion.

The business is high quality, asset-light, cash generative, globally scaled, and well managed. FY2021-FY2025 revenue rose from $50.533B to $69.673B, free cash flow rose from $8.395B to $10.874B, and operating margin stayed in a mid-teens band. The most recent TTM period ended 2026-05-31 with $73.101B of revenue, $10.592B of operating income, $7.790B of net income attributable to Accenture, and $12.52 of diluted EPS. FY2025 ROIC was still high at 27.3%. Management has a PASS verdict, clean governance, substantial cash return, and a coherent enterprise-AI/reinvention strategy.

The score is capped for four reasons. First, ROIC is declining from 42.2% in FY2021 to 27.3% in FY2025 while goodwill, intangibles, and acquisition deployment rise. Second, acquisition-inclusive ROIIC is not proven at a level that earns top-tier compounder credit; acquisitions are reinvestment, and FY2026 capital deployment is expected around $9B. Third, the moat is YELLOW rather than PASS because AI can both expand demand and compress the labor economics of consulting, implementation, support, and managed services. Fourth, the 20% return case fails under flat-current-multiple underwriting: using the current TTM P/E of about 10.3x, the base case produces roughly a 10% annualized return including an estimated dividend stream, not 20%.

This score should therefore sit beside the ER2 verdict as a diagnostic lens. It says Accenture may be attractive on the ER2 value discipline at this price, but it is not yet underwritten as the dream 20% compounder unless either the purchase price is lower, the company proves higher acquisition-inclusive ROIIC, or the five-year earnings path is materially better than the current base case without relying on terminal multiple expansion.

Data Source Map

The source hierarchy used here is the verified ER2 source chain, not local warehouse caches. `quant_foundation.md` provides the official TTM anchor, SEC-controlled quarterly tie-outs, share count, market cap, cash, liabilities, cash flow, and segment reconciliation. `data_package.md` provides the five-year financial history, source inventory, disclosure gaps, capital allocation history, balance sheet, recent acquisitions, and latest-quarter trends. The reviewed geographic segment appendices provide the forward revenue and operating-income cases by Americas, EMEA, and Asia Pacific. `appendix_management.md` provides the management PASS, governance, incentives, buybacks, SBC, and capital-allocation monitoring conditions. `appendix_moat.md` provides the moat YELLOW and 2046 YELLOW conclusions. `appendix_synthesis.md` provides the combined five-year earnings model, share-count path, P/E 15 test, and tie-out checks.

Evidence area	Source used	Key extracted items	Confidence
Price, market cap, share count	`quant_foundation.md` P6; `data_package_sources/fmp_quote_D.json`	$128.98 price; $78.928B market cap; 615.593M Q3 FY2026 diluted shares	High
TTM income statement	`quant_foundation.md` P4	$73.101B revenue; $10.592B operating income; $7.790B attributable net income; $12.52 diluted EPS	High
Five-year history	`data_package.md` Section 2	Revenue, operating income, EPS, shares, FCF, ROIC for FY2021-FY2025	High

Evidence area	Source used	Key extracted items	Confidence
Segment economics	`data_package.md`; reviewed B appendices; `appendix_synthesis.md`	Current segments are Americas, EMEA, Asia Pacific; TTM and TTM+5y revenue/OI cases	High
Capital allocation	`data_package.md` Section 7; `appendix_management.md`	Buybacks, dividends, capex, M&A net cash paid, FY2026 acquisition step-up	High
SBC and dilution	`appendix_management.md`; annual cash-flow source files	FY2025 SBC $2.094B; roughly 3.0% of revenue; share count down modestly	Medium-high
Moat and durability	`appendix_moat.md`	Procurement trust, scale, managed-services switching costs; AI compression risk; YELLOW gates	Medium-high
20% return model	`appendix_synthesis.md` plus CS calculations	Bear/base/bull EPS; current multiple; flat-multiple IRR; dividend estimate	Medium

Important disclosure limits remain. Accenture does not disclose product SKU revenue for GenAI, cloud, cybersecurity, data, or application services. It does not disclose operating income by service type, industry group, AI offering, cybersecurity offering, or geography-by-service mix. It does not disclose segment bookings, segment headcount, utilization, price/mix, delivery-center economics, churn, or renewal pricing. These are real gaps for a compounder score because the highest-value question is whether Accenture can keep the economics of AI-enabled reinvention rather than pass most productivity back to clients.

Key Financial and Quality Metrics

All dollar figures are in USD unless stated otherwise. The primary historical base is FY2021-FY2025, and the forward model uses the TTM period ended 2026-05-31 to the 2031-05-31 horizon.

Metric	Value	Source and calculation
Current price	$128.98	Orchestration quote; last trade Friday 2026-06-26
Market cap	$78.928B	FMP quote saved in ER2 source package
Approximate enterprise value	$68.9B	Market cap plus Q3 commercial paper, less cash; leases considered separately
TTM revenue	$73.101B	Q4 FY2025 + Q1-Q3 FY2026 official periods
TTM operating income	$10.592B	Official segment and consolidated tie-out
TTM attributable net income	$7.790B	Official attributable net income sum
TTM diluted EPS	$12.52	`quant_foundation.md` P4
FY2021-FY2025 revenue CAGR	8.4%	$50.533B to $69.673B over four fiscal-year intervals
FY2021-FY2025 operating income CAGR	7.6%	$7.622B to $10.226B
FY2021-FY2025 FCF CAGR	6.7%	$8.395B to $10.874B
FY2025 FCF conversion	141.6% of net income	$10.874B FCF / $7.678B attributable net income
FY2025 ROIC	27.3%	Data package ROIC estimate
Five-year ROIC range	27.3%-42.4%	FY2021-FY2025 data package
FY2025 SBC / revenue	3.0%	$2.094B / $69.673B
FY2025 SBC / FCF	19.3%	$2.094B / $10.874B
Five-year share-count CAGR	-0.5%	645.9M to 632.4M diluted shares
Net debt / EBITDA	Net cash	FY2025 balance sheet snapshot
EV / TTM NOPAT	About 8.5x	Approx. EV / TTM OI taxed at 23.7%
FY2025 FCF yield	About 13.8%	$10.874B / $78.928B market cap

The headline metrics are unusually cheap-looking because the supplied price is low relative to current earnings and free cash flow. That helps the ER2 P/E 15 test and the cash-return component of this diagnostic score. It does not by itself create a 20% annualized case. A services business at roughly 10.3x TTM EPS can still produce only low-double-digit returns if earnings compound mid-single digits and the exit multiple is held flat.

Rubric Scorecard

Category	Score	Max	Notes
1. Incremental Returns on Capital	17	25	ROIC remains high, but the trend is down and acquisition-inclusive ROIIC is not proven.
2. Reinvestment Runway	14	20	Enterprise AI, cloud, cyber, managed services, and regulated transformation provide runway, but organic/product economics are not disclosed.
3. Durability of Moat	10	15	Procurement trust and scale are real; AI/platform compression keeps moat YELLOW rather than PASS.
4. Accounting Honesty and Financial Quality	8	10	Cash conversion and governance are strong; SBC is real but controlled; disclosure gaps cap the score.
5. Capital Allocation Discipline	7	10	Strong cash returns and balance sheet, partly offset by higher M&A intensity and incomplete acquisition-return evidence.
Business Quality Score	56	80	Good business, not a top-decile proven compounder after caps.
6. Price and 20% Return Underwriting	7	20	P/E 15 passes, but 20% annualized return fails without multiple expansion.
Total Compounder Score	63	100	Diagnostic rejection under the 20% compounder rubric.

Category 1 gives full or near-full credit for the level of ROIC but not for the change in ROIC. FY2025 ROIC of 27.3% remains excellent, and the five-year median is above 30%, but the decline from above 42% to 27.3% is not noise. Goodwill and intangibles were $24.947B at FY2025, and the company is using acquisitions to refresh capabilities in cybersecurity, AI, data, and digital operations. The score therefore awards high but capped credit.

Category 2 is strong but not elite. The addressable market for enterprise technology transformation is large. Accenture has credible exposure to AI, cloud, cybersecurity, data readiness, managed operations, and regulated workflow modernization. The segment model supports a base revenue CAGR of 4.5% from TTM to the horizon, with all three geographic segments growing. The cap is that the company does not disclose the product lines investors most need for a pure compounder test: AI revenue, cloud revenue, cybersecurity revenue, service-line operating income, segment bookings, utilization, and price/mix.

Category 3 follows the moat appendix. Accenture has a real moat in client trust, procurement access, delivery scale, partner ecosystem position, industry process knowledge, and managed-services switching costs. It is not a hard platform moat. The 2046 test is YELLOW because AI can reduce the amount of external labor clients need, platform vendors can internalize more implementation, and clients may demand productivity givebacks. The most protected profit pool is large regulated transformation plus managed operations; the most exposed profit pool is discretionary consulting and modular implementation.

Category 4 is favorable. There are no visible accounting or governance red flags, the filings reconcile through the ER2 QF/QFR process, cash flow exceeds accounting earnings, and the balance sheet is net-cash or low-leverage. SBC is still a real economic cost. FY2025 SBC was $2.094B, about 3.0% of revenue and 19.3% of free cash flow, so buybacks should not be treated as costless value creation.

Category 5 is mixed-positive. Accenture has returned large amounts of cash through repurchases and dividends while maintaining balance-sheet strength. FY2026 nine-month share purchases were $5.193B and dividends were $3.013B, and the June 2026 repurchase increase suggests some price sensitivity after the stock decline. The cap is acquisition discipline. FY2024 M&A net cash paid was $6.554B, FY2026 deployment is expected around $9B, and FY2025 included business optimization costs and impairments tied partly to divestitures of acquisitions no longer aligned with strategy.

ROIIC/Reinvestment

The organic capital intensity looks excellent. Capex was only $0.580B in FY2021, $0.718B in FY2022, $0.528B in FY2023, $0.517B in FY2024, and $0.600B in FY2025, staying below 1.2% of revenue every year. Free cash flow was larger than net income in each of the five years cited by the data package, and FY2025 FCF was $10.874B against $7.678B of attributable net income.

The acquisition-inclusive reinvestment lens is less clean. M&A net cash paid was $3.758B in FY2021, $3.555B in FY2022, $2.106B in FY2023, $6.554B in FY2024, and $1.471B in FY2025. Through Q3 FY2026, purchases of businesses and investments net of cash acquired were already $3.004B, and management expected approximately $9B of FY2026 capital deployment. Treating acquisitions as reinvestment materially lowers confidence in incremental return. The reported ROIC line is still high, but the trend shows the denominator growing faster than the economic proof investors can observe.

Approximate acquisition-inclusive ROIIC over FY2021-FY2025 is not high enough for full credit. NOPAT rose by roughly $2.0B from FY2021 to FY2025 using operating income and a normalized tax approach. Cumulative capex plus M&A over the same window exceeded $20B before working-capital and other adjustments. That simplified calculation is not a precise management ROIIC figure, but it gives the right diagnostic conclusion: the marginal capital story is not as pristine as the reported ROIC level. Accenture may still be creating value through capability M&A, but the evidence is incomplete. This is why Category 1B is capped and why the hard-veto checklist marks acquisition-return disclosure as a watch item.

Runway

Accenture's runway is real. Enterprises still need help modernizing digital cores, cloud architectures, data layers, cybersecurity controls, AI governance, business processes, managed applications, and regulated operating models. The company has global delivery capacity, trusted procurement access, and the cash flow to acquire scarce capabilities. The data package's latest-quarter evidence shows Q3 FY2026 revenue of $18.718B, with Americas growing 2% in U.S. dollars, EMEA 10%, and Asia Pacific 7%. Managed Services grew faster than Consulting in the most recent service trend, and the moat appendix notes meaningful managed-services switching costs.

The base segment model is appropriately moderate. It grows revenue from $73.101B TTM to $91.134B by 2031-05-31, a 4.5% CAGR. Americas grows from $35.919B to $44.479B, EMEA from $26.574B to $33.116B, and Asia Pacific from $10.608B to $13.539B. This is neither a heroic AI boom nor a secular decline. It implies Accenture adds about $18.0B of revenue over five years while holding the consolidated OI margin near 14.9%.

The score does not give top runway credit because the growth mix is not sufficiently transparent. The most important growth categories are described strategically but not disclosed as durable financial lines. GenAI, cloud, data, cybersecurity, application services, industry platforms, and outcome-priced work may all matter. The CS appendix cannot assign them independent ROIIC or margin profiles without fabrication. The right treatment is to award Accenture for a large and credible opportunity while requiring future evidence from organic growth, bookings quality, margin stability, and acquisition integration.

Moat

The moat score follows the YELLOW gate. Accenture's moat is a bundle rather than one hard asset. It includes global delivery scale, complex-program credibility, senior-client trust, regulated-industry knowledge, partner ecosystem depth, and the ability to take accountability for transformations that are too complex for many clients to manage alone. Managed Services adds switching costs because changing vendors can disrupt systems, service levels, knowledge transfer, and operating governance.

The vulnerability is that much of the business is still people-led services. Consulting was $36.379B of TTM revenue, and Managed Services was $36.722B. Consulting is more discretionary and more exposed to AI-enabled compression of coding, testing, analytics, documentation, support, and process-design labor. Managed Services is more durable but can still reprice if clients demand AI productivity savings. The data package and moat appendix do not support a claim of software-like pricing power. There are no disclosed price increases, churn, utilization, renewal uplift, net revenue retention, or segment contract escalator metrics.

The score gives Accenture meaningful moat credit because mid-teens margins have persisted despite competition and technology shifts. It withholds top credit because the 2046 case depends on active reinvention. A credible 2046 Accenture exists: a high-trust operator of AI-governed enterprise reinvention, cyber-resilient operations, regulated workflow redesign, and managed digital operations. A credible bear case also exists: AI platforms, hyperscalers, software vendors, and client internal teams capture more of the implementation economics, leaving Accenture larger but less advantaged and more acquisition-dependent.

Accounting/Capital Allocation

Accounting quality is sound based on the ER2 source chain. The QF/QFR process replaced FMP discrepancies with official SEC values where needed, especially Q1 FY2026 operating income and Q2 FY2026 attributable net income. Cash conversion supports earnings. FY2025 free cash flow was $10.874B versus $7.678B of attributable net income, and Q3

FY2026 nine-month operating cash flow was $9.268B against $0.492B of capex.

SBC is treated as a real cost. Share-based compensation rose from $1.343B in FY2021 to $2.094B in FY2025. The level is acceptable for a global professional-services company, but it consumes about one-fifth of FY2025 free cash flow. Buybacks more than offset dilution over the FY2021-FY2025 period, reducing diluted shares from 645.9M to 632.4M, but part of the repurchase program is economically maintenance buyback rather than pure capital return.

Capital allocation is good but not pristine. The balance sheet is strong, capex is low, dividends are funded, and buybacks are material. The problem is that acquisitions are now central to strategy. The FY2025 10-K disclosed $615M of business optimization costs, including impairments tied partly to divestitures of two acquisitions no longer aligned with strategy. That does not imply a failed acquisition program. It does prove that not every deal should be assumed value-accretive. FY2026-FY2028 needs evidence that Dragos, runZero, NetRise, Ookla, CyberCX, and related capability investments create per-share value rather than just relevance insurance.

20% Return Underwriting

The 20% underwriting score is only **7/20**. The ER2 P/E 15 test passes, but the diagnostic 20% return test is harder. At $128.98 and TTM EPS of $12.52, the current TTM P/E is about 10.3x. Using that flat current multiple, the base-case 2031 EPS of $17.20 implies a terminal price of roughly $177.19. Adding an estimated five-year dividend stream of about $30 gives total value of about $207.19, which is roughly a 10% annualized return from $128.98. The bear case is roughly 4% annualized under the same approach, and the bull case is roughly 13.5%.

Using a 15.0x terminal P/E would lift the base-case annualized return to about 17%, including the same dividend estimate. But 15.0x is terminal multiple expansion versus the current 10.3x TTM P/E. The rubric explicitly says not to classify as investable now unless the 20% return case works without terminal multiple expansion. It does not. Even the 15x terminal case falls short of 20% on the base case.

The approximate maximum buy price for a 20% five-year IRR under the flat-current-multiple base case is about **$83** per share. If one allowed a 15x terminal P/E, the maximum buy price would be about **$116** per share. Both are below the current $128.98 price. That is the valuation cap on the diagnostic score. The stock may still be good value under ER2's P/E 15 discipline. It is not underwritten as a 20% annualized compounder today.

Hard Veto Checklist

Veto	Status	Evidence
ROIIC below cost of capital with no path	Watch	Reported ROIC is high, but acquisition-inclusive ROIIC is not proven and ROIC is declining.
Reported ROIC is an accounting artifact	Watch	ROIC is real but boosted by asset-light model; goodwill-inclusive trend is worsening.
Growth requires external financing	Pass	Balance sheet is strong; cash flow funds capex, dividends, buybacks, and much M&A.
Share count rises materially	Pass	Diluted shares declined modestly FY2021-FY2025; SBC is offset by buybacks.
Large acquisitions without return disclosure	Watch	FY2026 deployment is expected near $9B; acquisition-return evidence is incomplete.
FCF structurally lags earnings	Pass	FCF exceeds net income in the historical period.
Structural impairment risk	Watch	AI/platform compression and public-sector/federal drag can impair economics.
20% case requires terminal multiple expansion	Fail	Base case does not reach 20% with a flat current multiple.
Flawless execution required	Watch	P/E 15 does not require flawless execution; 20% compounder case does.
Moat cannot be explained	Pass	Procurement trust, scale, partner access, process knowledge, and switching costs are clear.
Accounting/governance trust issue	Pass	No material weakness, restatement, dual-class control issue, or governance red flag found.
Balance sheet risk	Pass	Net-cash/low-leverage profile; goodwill and acquisition exposure are watch items, not solvency risks.

Final Decision

Compounder Score note: **63/100; high-quality services compounder, but diagnostic classification is Reject because 20% annualized returns do not underwrite without terminal multiple expansion.**

Business Quality Score note: **56/80; strong cash generation, high but declining ROIC, credible runway, management PASS, moat YELLOW, and acquisition-inclusive ROIIC evidence caps.**

20% Return UW Score note: **7/20; ER2 P/E 15 gate passes, but flat-current-multiple base IRR is only about 10% and max buy price for 20% is about $83.**

The final decision is **Reject under the diagnostic 20% compounder rubric**. This does not mechanically override the ER2 verdict. It means the Stage 7 verdict table should not present the compounder diagnostic as an investable-now score. The business may deserve WATCH or BUY consideration under ER2 depending on the main narrative's management, moat, and P/E 15 gates, but the diagnostic score says the required 20% annualized return is not available at $128.98 without either a lower entry price, a much stronger earnings path, or terminal multiple expansion.

Machine-Readable JSON


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{
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  "ticker": "ACN",
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  "analysis_date": "2026-06-28",
  "currency": "USD",
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  "enterprise_value": 68863000000,
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  "bear_case_irr": 0.043,
  "bull_case_irr": 0.135,
  "max_buy_price_for_20pct_irr": 83.27,
  "source_confidence": "Medium"
}
```

Appendix CSA - Scoring Audit

Accenture - Scoring Audit

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Currency: USD Current price: $128.98 TTM end: 2026-05-31 Forward horizon: 2031-05-31 Output: `C:\Users\Admin\OneDrive\GPT\ER 2.0\Accenture\appendix_scoring_audit.md`

1. Original vs Audited Scores

This audit reviews the CompounderScorer output against the ER2 evidence files. The original score was not promotional: it already classified Accenture as Reject under the diagnostic 20% compounder rubric, not because the five-year ER2 P/E 15 gate fails, but because the 20% annualized return case does not work at $128.98 without terminal multiple expansion or a lower entry price. That conclusion is directionally sound. The audit does not reduce the score simply because the scorer was conservative. It reduces only where the evidence base does not support the awarded points with enough calculation or primary-source detail.

Item	Original	Audited	Notes
Business Quality Score / 80	56	52	Strong company, but ROIIC, acquisition returns, pricing power, and product economics are not proven enough for the original quality score.
Valuation / 20% Return UW Score / 20	7	6	The flat-multiple IRR calculation is arithmetically reasonable, but base IRR is below 10% in JSON and reverse-DCF required growth is not explicitly calculated.
Total Score / 100	63	58	Diagnostic classification remains Reject.
Classification	Reject	Reject	Score remains below 70 and the 20% case fails without multiple expansion.

Original reconstructed values: Business Quality 56/80, Valuation / 20% Return Underwriting 7/20, total 63/100, classification Reject. Original IRRs were base 9.9%, bear 4.3%, and bull 13.5%. The original maximum buy price for a 20% IRR was $83.27 under a flat-current-multiple base case, or $115.74 if a 15x exit P/E were allowed. The JSON and markdown agree on the core totals, but the markdown rounds the base IRR to "roughly 10%" while the JSON reports 0.099. For score purposes, that is below the 10% line and should not receive the same credit as a true 10%-15% base IRR.

2. Score Reductions and Reasons

Business Quality is reduced from 56 to 52. Category 1 is the main reduction. The evidence supports high current and historical ROIC: data_package.md reports ROIC of 42.2%, 42.4%, 34.9%, 30.1%, and 27.3% for FY2021-FY2025. The level earns credit. The trend and ROIIC evidence do not. The CS appendix leaves 3-year ROIIC and 5-year ROIIC as null in the JSON and gives only a simplified acquisition-inclusive view: NOPAT rose roughly $2.0B while cumulative capex plus M&A exceeded $20B. That points to a low-teens or about 10% acquisition-inclusive ROIIC, not a high-ROIIC compounder. Because acquisitions are material and FY2026 capital deployment is expected around $9B, this gap should cap incremental-return credit more tightly.

Runway is reduced modestly, not harshly. Accenture has a real enterprise reinvention runway in AI, cloud, cybersecurity, data, managed services, and regulated transformation. The reviewed segment appendices support mid-single-digit base revenue growth: Americas 4.4%, EMEA 4.5%, and Asia Pacific 5.0%. But the company does not disclose durable product-dollar series for GenAI, cloud, cybersecurity, data, application services, service-line operating income, bookings by segment, utilization, price/mix, or delivery-center economics. That means the runway case is partly strategic and partly management-commentary based. It deserves credit, but not top-tier proof.

Moat is reduced by one point because pricing power is asserted more strongly than it is measured. The moat appendix is appropriately YELLOW. It identifies real advantages in procurement trust, global delivery scale, partner access, industry process knowledge, and managed-services switching costs. It also states the key weakness: Accenture is still a people-led services business where AI, hyperscalers, software vendors, offshore competitors, and client internal teams can capture productivity. The absence of price increases, churn, renewal uplift, utilization, and contract escalator data matters for a

compounder score.

Capital allocation is reduced by one point. Management deserves a PASS, the balance sheet is strong, and buybacks and dividends are funded by free cash flow. But FY2024 M&A net cash paid was $6.554B, FY2026 acquisitions and investments net of cash acquired were already $3.004B through Q3, and management expected about $9B of FY2026 capital deployment. The management appendix also notes FY2025 business optimization costs and impairments tied partly to divestitures of acquisitions no longer aligned with strategy. This does not make management poor, but it prevents full confidence that acquisition-heavy reinvention will compound per-share value.

The Valuation / 20% Return Underwriting score is reduced from 7 to 6. The original flat-current-multiple math is broadly right: $17.20 of base horizon EPS times about 10.3x gives roughly $177 of terminal price; adding about $30 of dividends gives about $207 of total value; $207 from $128.98 over five years is about 10%. However, the JSON says 9.9%, below the 10%-15% scoring band, and the reverse-DCF required NOPAT CAGR is not calculated explicitly. The original score gives helpful cash-return credit, but the base, bear, and bull IRRs all fail 20% and even a 15x terminal P/E only reaches about 17% in the base case.

3. Unsupported Claims

No major original claim is fabricated, but several claims are only partly supported. The most important is acquisition-inclusive ROIIC. The CS appendix correctly flags it as incomplete, but the score should reflect that the underlying calculation is approximate and lacks working capital, deal-level returns, and organic versus acquired NOPAT separation. This score is reduced because the evidence does not prove that the current acquisition wave earns high incremental returns.

The second partly supported claim is pricing power. Segment appendices repeatedly explain that pricing power is strongest in risk-heavy, regulated, cybersecurity, cloud, and complex transformation work, but the filings do not disclose price/mix, utilization, renewal uplift, churn, bookings by segment, or contract escalator economics. The qualitative explanation is plausible; the measured proof is missing.

The third partly supported claim is the dividend stream used in the IRR model. The estimate is reasonable given Accenture's dividend history and current cash generation, but the ER2 source chain does not provide a five-year dividend guidance table. Because the dividend stream is material to the low-double-digit IRR calculation, the model should present it as an estimate rather than a sourced forecast.

4. Calculation Errors

I found no arithmetic error large enough to invalidate the original diagnostic conclusion. The P/E 15 arithmetic in the synthesis ties: $128.98 divided by 15 equals required EPS of $8.60, while base horizon EPS is $17.20 and bear horizon EPS is $12.86. The CS flat-multiple IRR mechanics also tie at a rough level. The issue is scoring precision, not model failure. A base IRR of 9.9% should be treated as below 10%, not rounded upward into a higher scoring bucket. The reverse-DCF required NOPAT CAGR is also missing. The CS appendix reports EV / NOPAT of about 8.5x and an FCF yield of about 13.8%, but it does not show the required NOPAT CAGR formula requested by the scorer protocol.

The share-count path is adequately disclosed in the synthesis. It reduces FY2025 diluted shares from 632.4M to 592.3M in the base case, a 1.3% annual reduction, while bear and bull cases use -0.5% and -1.8%. That is not an aggressive enough assumption to require a scoring penalty by itself. The audit does, however, require that SBC be treated as a real cost. FY2025 SBC was $2.094B, about 3.0% of revenue and 19.3% of FCF. The original score did treat SBC as a cost, so no extra reduction is applied there.

5. Missing Data

The most important missing evidence is deal-level acquisition return data. The FY2026 acquisition wave includes cybersecurity and data capability deals, and the strategic rationale is credible. But there is no acquisition-level ROIC, ROIIC, margin, retention, organic growth, or payback disclosure. Given the size of FY2026 expected deployment, this is central to the compounder question.

The second missing evidence cluster is product and service economics. Accenture does not disclose durable AI revenue, cloud revenue, cybersecurity revenue, application-services revenue, service-type operating income, segment bookings, segment headcount, utilization, price/mix, churn, renewal uplift, or delivery-center margin. These gaps matter because the highest-value question is whether Accenture keeps AI productivity benefits or passes them back to clients.

The third missing item is a formal reverse-DCF bridge. The scorer should calculate the NOPAT CAGR required to earn 20% from today's EV using a flat or lower EV/NOPAT exit multiple. That would make the 20% hurdle failure more explicit and would prevent the low starting multiple from being overinterpreted.

6. Hard-Veto and Threshold Test Audit

The diagnostic hard-veto screen is mostly correct. Balance sheet risk is not a veto. Governance is clean. FCF conversion supports earnings over multiple years. Share count is not rising; diluted shares declined modestly from FY2021 to FY2025 and the synthesis models continued net reductions. The hard fail is the 20% case. Base IRR does not clear 20% at a flat current multiple. A 15x terminal P/E is multiple expansion from the current 10.3x TTM P/E and still reaches only about 17% in the base case.

The threshold tests therefore fail: total score is below 80, Business Quality is below 65, Valuation / 20% Underwriting is below 15, base IRR is below 20%, bear IRR is below an acceptable 8%-10% band, and the attractive 15x case requires terminal multiple expansion. The correct score-implied classification is Reject. The audit agrees that the diagnostic score should not mechanically override the ER2 verdict; it belongs in Stage 7 as a separate scorecard note.

7. Final 20% Hurdle Pass/Fail

Final 20% hurdle: FAIL. At the supplied $128.98 price, Accenture may pass the ER2 P/E 15 test, but the diagnostic 20% compounder hurdle fails. The single biggest reason is not poor business quality. The single biggest reason is that the five-year base earnings path plus dividends does not compound fast enough at a flat current multiple, while the evidence does not prove high enough acquisition-inclusive ROIIC to underwrite a materially stronger base case.

8. Dream Business / Dream Investment Classification

Accenture is neither under this strict diagnostic rubric. It is a good business and possibly a valuation-supported ER2 candidate, but not a dream business because moat durability is YELLOW, ROIIC is incomplete, pricing power is not directly measured, and acquisition-heavy reinvention must still prove itself. It is not a dream investment because the current price does not underwrite 20% annualized returns without terminal multiple expansion.

9. Stage 7 Scorecard Notes

Compounder Score note: 58/100; diagnostic Reject because a solid services compounder still fails the 20% annualized return test without multiple expansion, and ROIIC evidence is incomplete.

Business Quality Score note: 52/80; high ROIC, cash conversion, and management PASS are offset by declining ROIC, moat YELLOW, missing pricing metrics, and unproven acquisition-inclusive ROIIC.

20% Return UW Score note: 6/20; P/E 15 gate passes, but base IRR is about 9.9%, bear IRR is about 4.3%, and the 20% case needs a lower entry price or stronger earnings path.

10. Auditor JSON

The machine-readable audit is written to `C:\Users\Admin\OneDrive\GPT\ER 2.0\Accenture\compounder_score_audit.json`. The JSON preserves the original source conclusion where fair, tightens unsupported categories, and keeps confidence at Medium because the main conclusion is robust but several business-quality inputs are not directly disclosed.

Appendix RT - Red Team

Accenture - Red Team Appendix

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Role: Sub-Agent RT, Red Team Output: `C:\Users\Admin\OneDrive\GPT\ER 2.0\Accenture\appendix_red_team.md`

1. The Most Fragile Assumption

The most fragile assumption is not the consolidated P/E 15 math. At the supplied $128.98 price, that test is forgiving. The fragile assumption is the Americas managed-services-sensitive line in the segment model: 5.2% five-year CAGR from the $18.046B TTM proxy base to $23.252B of TTM+5 revenue, with horizon margin of 16.7%. This line is embedded in the Stage 5 base case through Americas base revenue of $44.479B and Americas base operating income of $7.067B.

This is fragile because the input evidence is thinner than the modeled precision. Accenture does not disclose Americas Consulting versus Managed Services revenue, operating income, bookings, utilization, price/mix, renewal uplift, or delivery-center margin. The Americas service split is explicitly a modeling convenience derived by applying companywide TTM service mix to Americas revenue. That is a reasonable non-fabricated approach, but it is not a disclosed fact. The model then asks that estimated Americas managed-services-sensitive pool to grow faster than the segment's latest 2% Q3 FY2026 revenue growth and at a 16.7% margin, even though management said some large managed-services opportunities moved into FY2027 and the same data package flags U.S. federal drag and discretionary consulting constraints.

The red-team problem is the assumption that delayed managed-services opportunities are mostly timing, not pricing or scope redesign. If clients are delaying because procurement is renegotiating the value of AI-enabled delivery, then the base case is not merely a quarter late; it is structurally too generous. In that version, new managed services still close, but they close with fewer billable hours, more productivity sharing, and lower transition economics.

The EPS sensitivity is material enough to matter. The base Americas managed-services-sensitive line produces about $3.883B of operating income: $23.252B of revenue at a 16.7% margin. The bear version of the same line produces about $3.021B: $20.417B at a 14.8% margin. That is an $862M operating-income gap. At the synthesis's 75% OI-to-NI conversion and 592.3M base diluted shares, that one line alone is worth roughly $1.09 of EPS. If the consulting-sensitive line also fails to recover from Q3 softness, the EPS hit is larger. The P/E 15 gate may still clear, but the conclusion would shift from "valuation-supported compounder candidate" to "cheap services business with earnings-quality erosion."

2. The Most-Likely-Optimistic Stage 5 Number

The Stage 5 number most likely to prove optimistic is base-case horizon EPS of $17.20. The issue is not that the arithmetic is wrong. Net income of $10.186B divided by 592.3M shares ties. The issue is that $17.20 combines three favorable assumptions at once: mid-single-digit revenue growth, slight margin expansion, and a 1.3% annual net share-count reduction while acquisition deployment is stepping up.

The synthesis is careful to say the base case is moderate. Red team agrees it is not a heroic top-line forecast. But the actual evidence says the current business is more mixed than a smooth $17.20 endpoint implies. Americas, the largest segment, grew only 2% in Q3 FY2026 in U.S. dollars and 1% in local currency per the data package. Consulting grew more slowly than Managed Services. Management flagged federal drag, Middle East disruption, slower decision-making, and managed-services opportunities moving into FY2027. Meanwhile, FY2026 capital deployment is expected around $9B and FY2026 nine-month acquisitions net of cash acquired were already $3.004B.

That combination can easily leave the share count higher than the base case or force more reinvestment before the income statement shows the benefit. The base share-count reduction from 632.4M to 592.3M is described as moderate, and relative to Accenture's history it is. But the next five years may not look like a clean extrapolation of buybacks if management must use cash to buy cyber, data, AI, and managed-service capability just to defend the moat. A high-quality business can still have an EPS path that disappoints because free cash flow is diverted from repurchases to maintenance M&A.

3. Strongest Bear Case

The strongest bear case is that Accenture remains important but loses the economics of importance. Enterprise clients still need AI, cyber, cloud, and workflow transformation, but they use Accenture increasingly as an accountable coordinator while software vendors, hyperscalers, internal AI teams, and low-cost IT-services peers capture the productivity surplus. Revenue

continues to grow in nominal dollars, so the model does not look broken early, but operating income stops compounding because clients demand AI productivity givebacks, implementation scopes shrink, and acquisitions are required to replenish capability.

This bear case hits Americas first because it is the largest segment, has the most visible federal and discretionary-consulting pressure, and sits closest to AI-native competition. It then bleeds into EMEA through sales-cycle elongation and pricing pressure in standardized implementation work. Asia Pacific is too small to save the consolidated model even if CyberCX helps the regional cyber mix. The timeline is two to six quarters: first, bookings and consulting growth disappoint; second, revenue still grows but margins stop expanding; third, ROIC keeps falling as goodwill and acquired intangibles rise.

The observable anchor is not "AI disruption" as a slogan. It is Accenture producing positive revenue growth with no operating-income growth. If consolidated revenue keeps growing but operating margin falls below 14.0% for two consecutive quarters, while Americas growth stays at or below 1% local currency, the thesis should be rewritten around economic dilution rather than valuation support.

4. Cross-Examination Of Management Commentary

Management's first statement to cross-examine is the CFO's Q3 FY2026 commitment to "deliver or exceed all aspects of our guidance." That is useful, but it is an annual guidance statement, not a five-year proof. It can coexist with weakening economics. The red-team question is whether guidance is protected by cost actions, buybacks, and near-term managed-service timing rather than by durable organic demand. If the statement is wrong in the economically important way, it will show up first as Q4 FY2026 or FY2027 guidance preserving revenue growth while margin, bookings quality, or cash conversion weakens.

The second management claim is the broad-growth and market-share-gain framing. The data package paraphrases management as saying growth continued across markets, industry groups, and types of work, with share gains. The skeptical reading is that "broad" hides very different quality. Americas was only 2% in Q3 FY2026, while EMEA was 10% and Asia Pacific was 7%. A single consolidated phrase can make the business sound more balanced than it is. If the claim is overpromising, the first sign will be the largest segment failing to reaccelerate while the company leans on EMEA recency, acquisitions, and total bookings to keep the headline intact.

The third claim is that some managed-services opportunities moved into FY2027. The benign interpretation is timing. The bear interpretation is that buyers are re-scoping, repricing, or pausing large outsourcing decisions because AI changes the required labor base and because clients want productivity economics for themselves. If this is wrong, Accenture should show a bookings catch-up and conversion. If it is right, Managed Services may keep growing but at lower incremental margins, and the "delayed" deals will return as smaller, more automated, or more price-competitive scopes.

The fourth management signal is the approximately $9B FY2026 capital-deployment expectation. Management frames acquisitions as strategic capability building, especially in OT cybersecurity and regional cyber. The red-team cross-exam is simple: is this growth investment or moat maintenance? If acquisitions are needed to defend relevance in AI, data, cyber, and cloud, then a portion of cash flow previously available for buybacks should be treated like maintenance reinvestment. That would directly challenge the base EPS path and the compounder score.

5. Stage 5 Tie-Out Reverification

The Stage 5 arithmetic mostly ties. The TTM anchor is Q4 FY2025 plus Q1-Q3 FY2026, ending May 31, 2026. Segment TTM revenue of $35.919B, $26.574B, and $10.608B sums to $73.101B. Segment TTM operating income of $5.616B, $3.234B, and $1.743B sums to $10.592B after rounding. Base horizon revenue of $91.134B and base horizon OI of $13.581B tie to the segment rollups. Base net income of $10.186B at 75% conversion and 592.3M shares ties to $17.20 of EPS.

The red-team objection is not a broken spreadsheet. It is that the recency anchor is noisy and points in conflicting directions. Americas is the load-bearing geography and the latest quarter is the weakest geography: 2% U.S.-dollar growth, 1% local-currency growth. EMEA's 10% latest-quarter growth is strong but management itself flags Middle East conflict, slower decision-making, and consulting sales pressure. Asia Pacific's 7% latest-quarter growth is encouraging, but the clean current-taxonomy FY2023-FY2025 revenue CAGR was only 1.8%. A synthesis that lands on consolidated 4.5% revenue CAGR can be arithmetically moderate while still relying on the right pieces recovering in the right order.

The share-count path is realistic only if buybacks remain a residual use of cash after acquisitions. The synthesis does not make an aggressive assumption, but it also does not fully penalize a world in which $9B of FY2026 deployment is the beginning of a higher run rate of capability purchases. Accenture can fund both M&A and capital return today. The red-team

question is whether it can do so while ROIC stabilizes rather than continuing the FY2021-FY2025 decline from 42.2% to 27.3%.

The product-level tie-out boundary is correct and important. The files avoid inventing GenAI, cloud, cyber, data, or application-services revenue. That is good discipline. It also means the AI thesis is not quantitatively proven. It is embedded in geography-level growth and margin assumptions rather than observable product economics.

6. Score-Derived 20% Return Claim Most Likely Wrong

The audited score already says the 20% return case does not clear, and red team agrees. The diagnostic Compounder Score is 58/100, classification Reject, with 20% Return UW at 6/20. Base IRR is about 9.9%, bear IRR is about 4.3%, and bull IRR is about 13.5%. The score audit's conclusion is right: the five-year ER2 P/E 15 gate passes, but a 20% annualized return does not work at $128.98 without a lower entry price, a stronger earnings path, or terminal multiple expansion.

The claim most likely to be wrong is any narrative that treats the low starting multiple as enough to create a 20% compounder. A cheap P/E is not a 20% return engine if NOPAT grows mid-single digits and the terminal multiple stays flat. The audit says the maximum buy price for a 20% IRR is $83.27 under the flat-current-multiple base case, or $115.74 if a 15x exit P/E is allowed. Both are below $128.98. Red team would not round this into "close enough." A 9.9% base IRR is not a rounding error away from 20%; it is roughly half the target.

What would have to change? One of three things. First, the entry price would need to fall materially, closer to the audited $83 flat-multiple 20% price or at least below the $115 15x-exit version. Second, the base EPS path would need to move well above $17.20 with evidence, not just optimism, meaning disclosed acceleration in bookings conversion, stable or expanding margins, and no erosion in cash available for buybacks. Third, Accenture would need to prove acquisition-inclusive ROIIC is high enough that the current M&A wave is not merely replacing eroding organic relevance.

7. Signal That Forces Exit

The exit signal is: over the next two reported quarters, Americas local-currency revenue growth remains at or below 1% and consolidated operating margin falls below 14.0%. If both conditions occur, exit or rewrite the thesis to PASS pending recovery.

This is the right threshold because Americas is the largest segment and the clearest test of whether enterprise AI, cyber, cloud, and managed-services demand can offset federal drag, discretionary consulting softness, and productivity givebacks. A single weak quarter can be timing. Two quarters at or below 1% local-currency growth after Q3 FY2026's 1% local-currency result would mean the largest geography is not merely pausing. Pairing that with sub-14% consolidated operating margin filters out a harmless mix issue and identifies the true bear mechanism: revenue relevance without economic compounding.

Secondary evidence would make the exit stronger: total book-to-bill below 1.0, Managed Services bookings failing to rebound after the FY2027 timing explanation, or management raising capital deployment while ROIC continues to fall. But the exit signal should not wait for every item. Americas stagnation plus consolidated margin below 14.0% is enough.

8. Conviction At End Of Red Team

Conditional: the thesis survives the five-year P/E 15 red team, but it does not survive as a 20% compounder. The synthesis is not arithmetically broken. The base case can be defended as a moderate earnings model, and the valuation gate passes because the price anchor is low relative to current earnings. Red team would not block a valuation-supported WATCH or narrow BUY solely on Stage 5 math.

But the durable compounder claim remains unproven. The strongest bear point is that Accenture may have to spend more on acquisitions and reinvention just to hold its position while clients and platform vendors capture AI productivity. That would leave revenue growth intact but reduce incremental returns, pricing power, and per-share compounding. The audited score is therefore directionally right: Reject on the 20% return rubric, even though the ER2 P/E 15 gate passes.

The final red-team conviction is this: Accenture is cheap enough that ordinary five-year earnings disappointments may not break the valuation gate, but not cheap enough or proven enough to underwrite a 20% annualized return. The main report should make that separation explicit. If Accenture is recommended, the recommendation should be framed around valuation support and monitoring discipline, not around a clean 20-year dream-business profile.

Appendix D - Data Package (Raw Historicals)

Accenture - ER2 Data Package

Date: 2026-06-28 Ticker: ACN Company: Accenture plc Fiscal year end: August 31 Latest reported quarter: Q3 FY2026 ended May 31, 2026 TTM anchor: Q4 FY2025 + Q1 FY2026 + Q2 FY2026 + Q3 FY2026, ending May 31, 2026 Forward horizon: May 31, 2031 Currency and units: USD billions unless otherwise stated. Source raw data is USD dollars or USD thousands as noted in the SEC tables.

This package uses `quant_foundation.md` as the quantitative foundation and adds fresh D-side live source pulls. Live FMP pulls were saved in `C:\Users\Admin\OneDrive\GPT\ER 2.0\Accenture\data_package_sources`. Live SEC filings, SEC earnings exhibits, FMP transcripts, and Accenture newsroom pages were fetched in this run. No data warehouse cache was used.

0a. Industry classification and disclosure inventory

Accenture is an IT services, consulting, managed services, and outsourcing company. It is Ireland-domiciled but files Forms 10-K, 10-Q, and 8-K with the SEC, so the controlling reporting regime for this package is U.S. SEC domestic-company reporting. The official reporting taxonomy has three layers: geographic markets are the reportable operating segments, type of work describes Consulting and Managed Services revenue, and industry groups describe go-to-market client verticals. FMP segment/product data is sparse and inconsistent because FMP alternates between service-type rows and industry-group rows and does not provide operating income by the industry or service layers. The official filings are therefore the control source for taxonomy, segment revenue, segment operating income, service revenue, industry revenue, and last-four-quarter trends.

The disclosure inventory trigger is active because FMP product and geographic endpoints are incomplete relative to the official filings. A live DR re-pull of FMP confirmed the issue: annual product segmentation alternates between service rows and industry rows, quarterly product segmentation omits Q1 FY2026 service rows, and the annual geographic endpoint still shows older North America/Europe/Growth Markets rows rather than the current Americas/EMEA/Asia Pacific control taxonomy. The official materials disclose no ARR, backlog by product, headcount by segment, client count by segment, utilization, billable hours, price/mix, or delivery-center economics. Accenture does disclose new bookings, revenue by type of work, revenue by industry group, revenue and operating income by geographic market, cash flow, acquisitions, and capital return. New bookings are material because the business is project and managed-service driven, but the company does not disclose bookings by geographic market in the 10-K segment footnote.

Live source inventory used in this data package:

Source family	Live source fetched in this run	Local source file	Use in package
FMP annual statements	stable income-statement, cash-flow-statement, balance-sheet-statement	data_package_sources/fmp_income_statement_annual_D.json; data_package_sources/fmp_cash_flow_annual_D.json; data_package_sources/fmp_balance_sheet_annual_D.json	Consolidated history, capital allocation, balance sheet
FMP segmentation	stable revenue-product-segmentation and revenue-geographic-segmentation	data_package_sources/fmp_revenue_product_segmentation_annual_D.json; data_package_sources/fmp_revenue_geographic_segmentation_annual_D.json	FMP coverage check only; official SEC filings control taxonomy
SEC annual reports	FY2021-FY2025 Forms 10-K	data_package_sources/sec_10K_2021-08-31_0001467373-21-000229_acn-20210831.htm through data_package_sources/sec_10K_2025-08-31_0001467373-25-000217_acn-20250831.htm	Segment, service, industry taxonomy and historicals
SEC interim filings	FY2026 Q1, Q2, Q3 Forms 10-Q	data_package_sources/sec_10Q_2025-11-30_0001467373-25-000222_acn-20251130.htm; sec_10Q_2026-02-28_0001467373-26-000014_acn-20260228.htm; sec_10Q_2026-05-31_0001467373-26-000032_acn-20260531.htm	Latest quarter and TTM construction

Source family	Live source fetched in this run	Local source file	Use in package
SEC earnings exhibits	Q4 FY2025 and Q1-Q3 FY2026 8-K exhibits	data_package_sources/sec_earnings_exhibit_2025Q4_q4fy25earnings8-kexhibit.htm; sec_earnings_exhibit_2026Q1_q1fy26earnings8-kexhibit.htm; sec_earnings_exhibit_2026Q2_q2fy26earnings8-kexhibit.htm; sec_earnings_exhibit_2026Q3_q3fy26earnings8-kexhibit.htm	Last-four-quarter segment and service trends
FMP transcripts	FY2025 Q4 and FY2026 Q1-Q3 earning-call-transcript pulls	data_package_sources/fmp_transcript_fy2025_q4_D.json; fmp_transcript_fy2026_q1_D.json; fmp_transcript_fy2026_q2_D.json; fmp_transcript_fy2026_q3_D.json	Management commentary, with fiscal-date validation
Accenture newsroom	OT cybersecurity, Ookla, CyberCX pages	data_package_sources/accenture_newsroom_ot_cyber_20260618.html; accenture_newsroom_ookla_20260303.html; accenture_newsroom_cybercx_20250814.html	Corporate actions

Search inventory performed on official sources:

Dataset or table family	Official source searched	Search terms or table names	Years available	Included in data package?	If excluded, why	Downstream relevance
Segment economics	SEC 10-K Note 15 and FY2026 10-Q segment tables	Geographic Markets; revenues; operating income; Americas; EMEA; Asia Pacific	FY2023-FY2025 in current taxonomy; FY2021-FY2024 in prior taxonomy	Yes	No exclusion	Segment appendices and synthesis
Service revenue	10-K revenue by Type of Work and 8-K exhibits	Consulting; Managed Services; Outsourcing Revenue	FY2021-FY2025 annual; Q4 FY2025-Q3 FY2026 quarterly	Yes	No exclusion	Service mix, AI and managed services sensitivity
Industry revenue	10-K revenue by Industry Groups and 8-K exhibits	Communications Media and Technology; Financial Services; Health and Public Service; Products; Resources	FY2023-FY2025 clean annual; FY2026 Q1-Q3 plus Q4 FY2025 derived	Yes	FY2021-FY2022 not included in main industry table because current package focuses on clean current taxonomy	End-market cyclicality and recency
Bookings	Earnings exhibits and transcripts	New bookings; book-to-bill; consulting bookings; managed services bookings	Last four quarters	Yes, qualitative and selected quantitative	Not broken out by reportable segment	Demand indicator
Human capital delivery KPIs	10-K and transcripts	utilization; billable hours; delivery center; headcount by segment	Not separately disclosed in segment form	No	True non-disclosure after official source search	Margin and scalability analysis
Capital by segment	10-K segment table	net assets; property and equipment	FY2023-FY2025 current taxonomy; older prior taxonomy	Partly	Net assets shown in source inventory but not modeled as operating capital by segment	ROIC and segment economics
AI and GenAI revenue	Transcripts and earnings exhibits	GenAI; generative AI; data; AI; reinvention	Management gives commentary but not durable product revenue table	No dollar history	True non-disclosure; no stable product-dollar series	Moat and disruption analysis

Historical KPI inventory:

KPI family	Granularity	FY2021	FY2022	FY2023	FY2024	FY2025	Latest interim or TTM	Source path
Revenue by reportable market	Geographic segment	Old taxonomy available	Old taxonomy available	Current taxonomy restated	Current taxonomy restated	Current taxonomy	Q4 FY2025-Q3 FY2026 TTM	SEC 10-K and 10-Q files
Operating income by market	Geographic segment	Old taxonomy available	Old taxonomy available	Current taxonomy restated	Current taxonomy restated	Current taxonomy	Q4 FY2025-Q3 FY2026 TTM	SEC 10-K and 10-Q files
Service revenue	Consulting and Managed Services	50.533 total split disclosed	61.594 total split disclosed	64.112 total split disclosed	64.896 total split disclosed	69.673 total split disclosed	73.101 TTM split disclosed	SEC 10-K, 10-Q, and earnings exhibits
Industry revenue	Five industry groups	Disclosed historically but taxonomy not central to segment OI	Disclosed historically but taxonomy not central to segment OI	64.112 clean	64.896 clean	69.673 clean	73.101 TTM clean	SEC 10-K and 10-Q files
Bookings	Total, consulting, managed services	Not used for five-year table	Not used for five-year table	Not used for five-year table	Available in earnings releases	Available in earnings releases	Last four quarters fetched	SEC earnings exhibits and FMP transcripts

1. Reporting structure and taxonomy

Current reportable operating segments are geographic markets. Americas includes North America and Latin America. EMEA includes Europe, Middle East, and Africa. Asia Pacific includes Asia Pacific markets. FY2025 was the first annual report using the current geographic-market presentation with Americas, EMEA, and Asia Pacific; the FY2025 Form 10-K provides restated FY2024 and FY2023 under the current taxonomy. Earlier FY2021-FY2022 annual reports use North America, Europe, and Growth Markets, so those years are not directly comparable to the current segment names. This is a taxonomy flag for downstream segment appendices.

The official revenue taxonomy is:

Taxonomy layer	Categories	Dollar disclosure	Operating income disclosure	Control source
Reportable operating segments	Americas; EMEA; Asia Pacific	Yes	Yes	FY2025 Form 10-K Note 15 and FY2026 10-Q segment tables
Type of work	Consulting; Managed Services	Yes	No	FY2025 Form 10-K revenue table and FY2026 earnings exhibits
Industry groups	Communications Media and Technology; Financial Services; Health and Public Service; Products; Resources	Yes	No	FY2025 Form 10-K revenue table and FY2026 10-Q revenue tables
FMP product endpoint	Consulting Revenue; Outsourcing Revenue; intermittent industry rows	Sparse and alternating	No	FMP revenue-product-segmentation, live pull

FY2025 segment revenue and operating income:

Segment	FY2025 revenue	FY2025 revenue percent of total	FY2025 operating income	FY2025 operating margin	Source
Americas	35.057	50.3%	5.324	15.2%	FY2025 Form 10-K Note 15
EMEA	24.644	35.4%	3.091	12.5%	FY2025 Form 10-K Note 15
Asia Pacific	9.972	14.3%	1.810	18.2%	FY2025 Form 10-K Note 15
Total	69.673	100.0%	10.226	14.7%	FY2025 Form 10-K and FMP income statement

Taxonomy and reclassification flags:

Flag	Status	Downstream handling
Geographic market rename	Active	FY2023-FY2025 current taxonomy is clean; FY2021-FY2022 old taxonomy should not be used as same-segment history without a boundary note
FMP service label	Active	FMP uses Outsourcing Revenue; official label is Managed Services
Segment versus industry confusion	Active	Products is an industry group, not a reportable operating segment; it has revenue but no operating income
Product-dollar disclosure	Sparse	No product SKU revenue table; no separate GenAI dollar revenue series
Q1 FY2026 FMP service endpoint gap	Active	Official Q1 FY2026 10-Q controls service values

2. Consolidated historicals, five years

The consolidated five-year table uses live FMP annual income statement, cash-flow statement, and balance-sheet pulls. ROIC is calculated as NOPAT divided by average invested capital. NOPAT equals operating income multiplied by one minus the effective tax rate. Invested capital equals total debt plus total equity less cash and short-term investments. This is a practical services-company ROIC approximation; it is not a management-disclosed metric.

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue	50.533	61.594	64.112	64.896	69.673	FMP income-statement annual

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Operating income	7.622	9.367	8.810	9.596	10.226	FMP income-statement annual; SEC 10-K tie
Operating margin	15.1%	15.2%	13.7%	14.8%	14.7%	Calculated
Net income attributable	5.907	6.877	6.872	7.265	7.678	FMP income-statement annual
EPS diluted	9.16	10.71	10.77	11.44	12.15	FMP income-statement annual
Diluted share count, M	645.9	642.8	638.6	635.9	632.4	FMP income-statement annual
Capex	0.580	0.718	0.528	0.517	0.600	FMP cash-flow annual
Free cash flow	8.395	8.823	8.996	8.615	10.874	FMP cash-flow annual
ROIC	42.2%	42.4%	34.9%	30.1%	27.3%	Calculated from FMP statements

The ROIC decline is important. Accenture still earns high returns on tangible and invested capital, but the denominator expanded as acquisitions, goodwill, and cash/debt balances increased. FY2025 NOPAT used a 23.7% effective tax rate, producing approximately $7.80B of NOPAT on average invested capital of roughly $28.6B. The company remains asset-light by capex intensity, but acquisition intensity has become a more important capital-allocation variable than ordinary property and equipment spending.

3. Segment historicals

FY2023-FY2025 are presented in the current Americas, EMEA, and Asia Pacific taxonomy. FY2021-FY2022 are shown separately in the prior North America, Europe, and Growth Markets taxonomy to prevent false continuity. Segment operating income is from SEC 10-K segment tables; FMP does not provide a clean segment operating-income endpoint.

Current taxonomy segment	FY2023 revenue	FY2023 OI	FY2023 margin	FY2024 revenue	FY2024 OI	FY2024 margin	FY2025 revenue	FY2025 OI	FY2025 margin	Source
Americas	32.193	4.644	14.4%	32.552	5.080	15.6%	35.057	5.324	15.2%	FY2025 Form 10-K Note 15
EMEA	22.293	2.483	11.1%	22.818	2.804	12.3%	24.644	3.091	12.5%	FY2025 Form 10-K Note 15
Asia Pacific	9.626	1.682	17.5%	9.526	1.713	18.0%	9.972	1.810	18.2%	FY2025 Form 10-K Note 15
Total	64.112	8.810	13.7%	64.896	9.596	14.8%	69.673	10.226	14.7%	FY2025 Form 10-K and FMP

Prior taxonomy segment	FY2021 revenue	FY2021 OI	FY2021 margin	FY2022 revenue	FY2022 OI	FY2022 margin	Comparable with current taxonomy?	Source
North America	23.701	3.908	16.5%	29.121	4.977	17.1%	No, renamed and partially realigned	FY2021 and FY2022 Forms 10-K
Europe	16.749	2.236	13.4%	20.264	2.437	12.0%	No, EMEA boundary changed	FY2021 and FY2022 Forms 10-K
Growth Markets	10.083	1.477	14.7%	12.209	1.953	16.0%	No, Growth Markets partly maps into Asia Pacific and other markets	FY2021 and FY2022 Forms 10-K
Total	50.533	7.622	15.1%	61.594	9.367	15.2%	Total company only	FY2021 and FY2022 Forms 10-K

TTM by current reportable segment:

Segment	Q4 FY2025 revenue	Q1 FY2026 revenue	Q2 FY2026 revenue	Q3 FY2026 revenue	TTM revenue	TTM OI	TTM margin	Source
Americas	8.804	9.080	8.896	9.138	35.919	5.616	15.6%	Quant foundation from official SEC filings

Segment	Q4 FY2025 revenue	Q1 FY2026 revenue	Q2 FY2026 revenue	Q3 FY2026 revenue	TTM revenue	TTM OI	TTM margin	Source
EMEA	6.196	6.935	6.569	6.873	26.574	3.234	12.2%	Quant foundation from official SEC filings
Asia Pacific	2.596	2.727	2.578	2.707	10.608	1.743	16.4%	Quant foundation from official SEC filings
Total	17.596	18.742	18.044	18.718	73.101	10.592	14.5%	Quant foundation from official SEC filings

4. Product, service, and industry disclosure

Accenture does not disclose product SKU revenue in dollars. The finest official dollar-disclosed layers are type of work and industry group. Consulting and Managed Services are service categories, not products. Industry groups are client verticals, not operating segments. Product-level GenAI, cybersecurity, cloud, strategy, systems integration, and application managed services dollar histories are not separately disclosed.

Service-type annual history:

Service type	FY2021	FY2022	FY2023	FY2024	FY2025	Dollar disclosure status	Source
Consulting	27.338	34.076	33.613	33.195	35.107	Dollar-disclosed	SEC 10-K Type of Work tables and FMP service endpoint
Managed Services	23.196	27.518	30.499	31.701	34.566	Dollar-disclosed; FMP label Outsourcing Revenue	SEC 10-K Type of Work tables and FMP service endpoint
Total	50.533	61.594	64.112	64.896	69.673	Dollar-disclosed	SEC 10-K and FMP

Industry-group annual history:

Industry group	FY2023	FY2024	FY2025	Dollar disclosure status	Source
Communications Media and Technology	11.453	10.837	11.454	Dollar-disclosed	FY2025 Form 10-K revenue table
Financial Services	12.132	11.610	12.774	Dollar-disclosed	FY2025 Form 10-K revenue table
Health and Public Service	12.560	13.841	14.763	Dollar-disclosed	FY2025 Form 10-K revenue table
Products	19.104	19.554	21.197	Dollar-disclosed	FY2025 Form 10-K revenue table
Resources	8.863	9.054	9.485	Dollar-disclosed	FY2025 Form 10-K revenue table
Total	64.112	64.896	69.673	Dollar-disclosed	FY2025 Form 10-K revenue table

Growth-only or non-disclosed product and KPI categories:

Category	Disclosure method	Last-four-quarter or latest status	Source
GenAI revenue	No durable dollar history	Management discusses GenAI and AI demand, but no audited product revenue series is disclosed	FMP transcripts and SEC filings searched
New bookings	Dollar-disclosed total and by consulting or managed services in earnings materials	Q3 FY2026 new bookings were $19.3B; managed services bookings were pressured by moved opportunities	SEC Q3 FY2026 earnings exhibit and FMP transcript
Cybersecurity product revenue	Not separately disclosed	Recent M&A adds capability but no combined revenue history is disclosed in filings	Accenture newsroom and SEC filings
Cloud, data, and AI revenue	Not separately disclosed	Discussed strategically, not as a financial statement line	FMP transcripts searched
Client count and utilization	Not separately disclosed	No segment-level operating KPI history found	10-K and 10-Q searched

5. Most recent quarterly trend, last four quarters

Company FY ends August 31. Most recently completed fiscal quarter at time of writing: FY2026 Q3, covering March 1, 2026 to May 31, 2026, reported on June 18, 2026 via SEC 8-K exhibit `q3fy26earnings8-kexhibit.htm`.

Quarterly revenue by reportable geographic market. YoY percentages in this table are U.S.-dollar growth rates from the earnings exhibits; local-currency rates are disclosed separately in the same source exhibits.

Quarter	Americas revenue	Americas YoY USD	EMEA revenue	EMEA YoY USD	Asia Pacific revenue	Asia Pacific YoY USD	Total revenue	Source
Q4 FY2025	8.804	5%	6.196	10%	2.596	11%	17.596	SEC Q4 FY2025 earnings exhibit
Q1 FY2026	9.080	4%	6.935	8%	2.727	7%	18.742	SEC Q1 FY2026 earnings exhibit
Q2 FY2026	8.896	4%	6.569	13%	2.578	12%	18.044	SEC Q2 FY2026 earnings exhibit
Q3 FY2026	9.138	2%	6.873	10%	2.707	7%	18.718	SEC Q3 FY2026 earnings exhibit

Quarterly operating income by reportable geographic market:

Quarter	Americas OI	Americas margin	EMEA OI	EMEA margin	Asia Pacific OI	Asia Pacific margin	Total OI	Source
Q4 FY2025	0.987	11.2%	0.663	10.7%	0.400	15.4%	2.050	FY2025 Form 10-K quarterly table
Q1 FY2026	1.527	16.8%	0.900	13.0%	0.446	16.4%	2.874	FY2026 Q1 Form 10-Q
Q2 FY2026	1.393	15.7%	0.677	10.3%	0.424	16.4%	2.494	FY2026 Q2 Form 10-Q
Q3 FY2026	1.708	18.7%	0.994	14.5%	0.473	17.5%	3.175	FY2026 Q3 Form 10-Q and 8-K exhibit

Quarterly service trend. YoY percentages in this table are U.S.-dollar growth rates; Accenture also discloses lower/higher local-currency rates in the quarterly earnings exhibits.

Quarter	Consulting revenue	Consulting YoY USD	Managed Services revenue	Managed Services YoY USD	Total revenue	Source
Q4 FY2025	8.772	Not separately stated in package	8.824	Not separately stated in package	17.596	FY2025 Form 10-K quarterly table
Q1 FY2026	9.415	5%	9.328	7%	18.742	FY2026 Q1 Form 10-Q and earnings exhibit
Q2 FY2026	8.860	7%	9.184	9%	18.044	FY2026 Q2 Form 10-Q and earnings exhibit
Q3 FY2026	9.328	4%	9.390	8%	18.718	FY2026 Q3 Form 10-Q and earnings exhibit

Largest-segment latest-quarter self-check: Americas is the largest reportable segment by FY2025 revenue and Q3 FY2026 revenue. The SEC Q3 FY2026 earnings exhibit shows Americas revenue of $9.14B, 2% growth in U.S. dollars, and 1% growth in local currency. This is the load-bearing recency figure for the Americas segment appendix.

6. Management commentary on forward growth

Management commentary was sourced from live FMP transcript endpoint pulls. The FY2026 Q3 transcript date is 2026-06-18, which matches the expected call date for the quarter ended May 31, 2026. The FY2026 Q2 transcript date is 2026-03-19. The FY2026 Q1 transcript date is 2025-12-18. The FY2025 Q4 transcript date is 2025-09-25, but the transcript header text contains an apparent FMP transcription-label anomaly, so Q4 commentary is used cautiously and not as the primary quote source.

Copyright note: this package includes only short verbatim quote snippets and otherwise paraphrases management commentary.

Fiscal period	Call date	Speaker	Short quote or paraphrase	Topic	Modeling implication
Q3 FY2026	2026-06-18	Angie Park, CFO	"deliver or exceed all aspects of our guidance"	Full-year outlook	Management did not cut the core FY2026 framework despite Q3 bookings softness; live FMP transcript date matches the Q3 FY2026 call date
Q3 FY2026	2026-06-18	Julie Sweet, CEO	Paraphrase: broad revenue growth continued across markets, industry groups, and types of work, with management claiming market-share gains	Consolidated growth	Supports modest base growth, not a collapse scenario
Q3 FY2026	2026-06-18	Julie Sweet, CEO	Paraphrase: Middle East conflict affected consulting revenue and sales, and some managed-services opportunities moved into FY2027	Near-term demand	Q3 softness has timing and macro/geopolitical elements but still lowers near-term confidence
Q3 FY2026	2026-06-18	Julie Sweet, CEO	Paraphrase: the company expects approximately $9B of capital deployment this year due to acquisition closing dates	Capital allocation	M&A is now a major use of capital and must be reflected in ROIC and integration risk
Q3 FY2026	2026-06-18	Julie Sweet, CEO	Paraphrase: Accenture Edge targets mid-market companies with repeatable, right-sized solutions	New growth platform	Potential TAM expansion, but still unproven and not separately disclosed
Q2 FY2026	2026-03-19	Management	Short quote: "record $22.1 billion"	New bookings	Q2 demand was strong before Q3 timing issues
Q1 FY2026	2025-12-18	Management	Short quote: "new bookings were $20.9 billion"	New bookings	Q1 pipeline began FY2026 healthy
Q4 FY2025	2025-09-25	Management	Paraphrase: FY2025 finished with strong bookings and cash return	Baseline	Use as background only because FMP transcript header has a label anomaly

Segment-specific interpretation:

Segment or layer	Management commentary available	Forward modeling implication	Evidence source
Americas	Commentary points to federal drag, mid-market opportunity, creator/social agency M&A, and OT cybersecurity expansion	Americas should not be modeled as uniformly strong; U.S. federal and discretionary consulting are near-term constraints	Q3 FY2026 transcript and Q3 exhibit
EMEA	Management flagged Middle East conflict and slower decision-making, but EMEA reported 10% Q3 USD revenue growth	EMEA has headline growth but more geopolitical and sales-cycle risk	Q3 FY2026 transcript and Q3 exhibit
Asia Pacific	CyberCX acquisition strengthens cybersecurity capabilities in Asia Pacific, while segment Q3 revenue grew 7%	Asia Pacific remains smaller but has targeted cybersecurity inorganic support	Accenture newsroom CyberCX page and Q3 exhibit
Consulting	Management said Middle East impact was all consulting type of work	Consulting should carry higher cyclical and discretionary sensitivity in segment appendices	Q3 FY2026 transcript
Managed Services	Management said some large managed-services opportunities moved to FY2027	Managed Services has timing risk but also repeatability and outsourcing durability	Q3 FY2026 transcript
Industry groups	Products and Resources were affected by indirect Middle East impact; CMT grew fastest in Q3	Industry mix matters for near-term recency but has no OI disclosure	Q3 FY2026 transcript and 10-Q

7. Capital allocation history

Accenture has been an asset-light compounder by capex intensity but a heavy user of acquisitions and buybacks. FY2025 free cash flow was $10.874B against capex of only $0.600B. The major 2026 M&A announcements make this section more important than a normal consulting-services data package.

Year	Capex	Capex revenue	R&D	R&D revenue	Buybacks	Dividends	M&A net cash paid	Source
FY2021	0.580	1.1%	n/d	n/d	3.703	2.234	3.758	FMP cash flow annual
FY2022	0.718	1.2%	n/d	n/d	4.116	2.455	3.555	FMP cash flow annual
FY2023	0.528	0.8%	n/d	n/d	4.330	2.824	2.106	FMP cash flow annual
FY2024	0.517	0.8%	n/d	n/d	4.525	3.241	6.554	FMP cash flow annual
FY2025	0.600	0.9%	0.817	1.2%	4.619	3.700	1.471	FMP cash flow annual

Capital allocation observations:

Observation	Data point	Source
Capex intensity remains below 1.2% of revenue across FY2021-FY2025	0.8% to 1.2%	FMP cash-flow annual
Buybacks exceeded dividends each year	FY2025 buybacks 4.619 versus dividends 3.700	FMP cash-flow annual
FY2024 was the largest M&A cash year in the five-year table	6.554	FMP cash-flow annual
FY2026 acquisition deployment is stepping up	Management expected approximately $9B of capital deployment in FY2026	FMP Q3 FY2026 transcript
FY2026 nine-month acquisitions net of cash acquired were already material	3.004 through Q3 FY2026	FY2026 Q3 Form 10-Q cash-flow statement

8. Balance sheet snapshot

FY2025 balance sheet snapshot from live FMP annual balance-sheet pull:

Item	Value	Source
Cash and equivalents	11.479	FMP balance-sheet annual
Short-term investments	0.006	FMP balance-sheet annual
Total debt	8.183	FMP balance-sheet annual
Net debt or net cash	-3.296	FMP balance-sheet annual
Net debt to EBITDA	Net cash	FMP balance sheet and income statement
Goodwill and intangibles	24.947	FMP balance-sheet annual
Total equity	32.241	FMP balance-sheet annual
Total assets	65.395	FMP balance-sheet annual
Total liabilities	33.154	FMP balance-sheet annual
Tangible book value	7.294	Total equity less goodwill and intangibles

Latest interim balance-sheet context from Q3 FY2026 official SEC data:

Item	Q3 FY2026 value	Source
Cash and cash equivalents	10.165	FY2026 Q3 Form 10-Q
Short-term investments	0.006	FY2026 Q3 Form 10-Q
Total liabilities	35.793	FY2026 Q3 Form 10-Q
Shareholders equity	31.891	FY2026 Q3 Form 10-Q
Commercial paper outstanding	0.100	FY2026 Q3 Form 10-Q
Letters of credit outstanding	1.382	FY2026 Q3 Form 10-Q

The balance sheet is not levered in a traditional net-debt sense at FY2025, but goodwill and intangibles are large relative to tangible equity. Because the 2026 acquisition pipeline is significant, future invested-capital and goodwill growth are the main balance-sheet watch items.

9. Recent corporate actions, last twelve months

- 2026-06-18: Accenture announced agreements to acquire a majority stake in Dragos and acquire runZero and NetRise, creating an OT cybersecurity platform. Source: Accenture newsroom page saved as `accenture_newsroom_ot_cyber_20260618.html`.
- 2026-06-18: Management said expected FY2026 capital deployment had risen to approximately $9B based on anticipated acquisition closing dates. Source: FMP Q3 FY2026 transcript.
- 2026-06-17: Accenture newsroom Ookla page states the Ookla acquisition closed on June 17, 2026. The transaction was announced March 3, 2026. Source: `accenture_newsroom_ookla_20260303.html`.
- 2025-08-14: Accenture agreed to acquire CyberCX, a cybersecurity services provider in Australia, New Zealand, and internationally. Source: `accenture_newsroom_cybercx_20250814.html`.
- FY2026 Q3: SEC cash-flow statement shows $3.004B of purchases of businesses and investments, net of cash acquired, for the first nine months of FY2026. Source: FY2026 Q3 Form 10-Q.
- FY2026 Q3: The company returned cash through $5.193B of share purchases and $3.013B of dividends during the first nine months of FY2026. Source: FY2026 Q3 Form 10-Q.
- 2026-06-18: Management announced an Investor Day planned for October 14, 2026 in New York City. Source: FMP Q3 FY2026 transcript.

10. Open data gaps

Gap	Classification	Sources searched	Impact
Product SKU revenue, including GenAI, cloud, cybersecurity, data, and application services	True non-disclosure	FY2025 10-K, FY2026 10-Qs, Q3 transcript, SEC earnings exhibits	Segment appendices must not invent product-dollar histories
Operating income by service type	True non-disclosure	FY2025 10-K Type of Work table and segment note	Consulting and Managed Services can be modeled only at revenue level unless assumptions are explicitly stated
Operating income by industry group	True non-disclosure	FY2025 10-K industry group table and FY2026 10-Qs	Industry recency informs growth, not margins
Current-taxonomy FY2021-FY2022 segment history	True non-disclosure in fetched reports	FY2021-FY2025 10-Ks	Use FY2023-FY2025 current taxonomy and show FY2021-FY2022 prior taxonomy separately
FMP product endpoint completeness	Not applicable as control source	FMP revenue-product-segmentation annual and quarterly	Official filings control because FMP alternates taxonomy layers
Q4 FY2025 transcript label text	Estimated caution	FMP FY2025 Q4 transcript endpoint	Use Q4 transcript only cautiously; Q3 FY2026 transcript is the primary management quote source
Segment bookings	True non-disclosure	SEC earnings exhibits and transcripts	Use total bookings and service-level bookings only
Segment headcount, utilization, pricing, and delivery-center margin	True non-disclosure	10-K, 10-Q, transcripts	Moat and management appendices should treat delivery economics qualitatively

Self-verification performed before return:

Load-bearing item	Verification result	Live source
Latest quarter largest segment growth	Americas Q3 FY2026 revenue was $9.14B and grew 2% in U.S. dollars	SEC Q3 FY2026 earnings exhibit fetched live
Management quote source	Q3 FY2026 FMP transcript date was 2026-06-18; selected quote comes from CFO Angie Park	FMP earning-call-transcript ACN year 2026 quarter 3
FY2025 revenue	FY2025 revenue was $69.672977B, tying FMP annual income statement and FY2025 Form 10-K	FMP income-statement annual and FY2025 SEC Form 10-K
Q2 FY2026 attributable income guardrail	Q2 FY2026 net income attributable to Accenture plc is $1.825239B; FMP total net income is $1.859388B and should not be used as attributable income	SEC Q2 FY2026 Form 10-Q and live FMP quarterly income statement

Downstream handling note: the highest-confidence historical base for segment appendices is the TTM segment table in Section 3 plus the quarterly trend in Section 5. The clean current-taxonomy annual period is FY2023-FY2025. FY2021-FY2022 should be used only at total-company level or as old-taxonomy context.