



Growth and Global Company: Accenture

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<p>Accenture (ACN), a leading global IT firm, offers services spanning strategic consulting, IT implementation and business outsourcing. It stands as a cornerstone of Jensen’s Quality Growth and Global Quality Growth Strategies, reflecting our steadfast confidence in its fundamentals. These fundamentals include robust competitive advantages, strong growth drivers, market primacy, improving profitability and exceptional cash flow generation. Accenture also boasts what we believe to be a distinguished leadership team and board.</p>		 Ticker: (ACN)
		Year Founded: 1989
		Headquarters: Dublin, Ireland
		Entered Strategy: Growth: 2012 Global: 2020

Know What You Own

In recent months, the company’s share price has experienced a dip, predominantly attributed to transient softness in IT services demand stemming from macroeconomic uncertainties. Accenture’s experience parallels that of its peers in this regard. We suspect that end users are pausing IT investments due to high pandemic-related IT expenditures and the evolving, uncertain landscape of artificial intelligence (AI). Nonetheless, we anticipate a temporary lull in IT services demand, with growth expected to rebound next year. Looking ahead, we expect demand drivers to intensify and diversify, driven by heightened interest in adopting and leveraging AI to enhance customer business productivity, alongside enterprise cloud and security solutions. In our view, Accenture is exceptionally positioned to capitalize on this trend.

To solidify its leadership in the AI market, Accenture recently announced a substantial \$3 billion investment over three years to retool its operations, ensuring it possesses the requisite AI resources to support clients effectively. Notably, the company has steadily accrued AI projects over the past year, with a growing backlog. While the current scale may be modest, we are encouraged by the trajectory and foresee significant contributions to Accenture’s future growth.

Furthermore, Accenture stands to benefit from applying its cutting-edge IT and business services internally. We anticipate that AI adoption will accelerate its ongoing profitability enhancements over the long term, bolstering its free cash flow generation.

Outlook

Despite recent share price volatility, we maintain a strong conviction in Accenture’s long-term prospects as a cornerstone investment. The company’s resilience, coupled with its strategic investments and market positioning, reinforce our confidence in its potential for sustained growth and value creation.



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