



altran



Capgemini and Altran

create a global digital transformation leader
for industrial and tech companies

Paris - June 24th, 2019



Important information

This document is disseminated for information purposes only and does not constitute an offer to purchase, or a solicitation of an offer to sell, any securities of Altran Technologies.

The documentation relating to the tender offer which, if filed, will state the terms and conditions of the tender offer, will be submitted to the review of the Autorité des marchés financiers. Investors and shareholders are strongly advised to read the documentation relating to the tender offer when it becomes available, if the offer is filed, as well as any amendments and supplements to those documents as they will contain important information about Capgemini, Altran Technologies and the proposed transaction.

The transaction is notably subject to execution of definitive documentation and obtaining of required regulatory authorizations and other customary conditions. The tender offer would only be filed with the Autorité des marchés financiers after such conditions have been fulfilled.

This document must not be published, broadcast or distributed, directly or indirectly, in any country in which the distribution of this information is subject to legal restrictions. The tender offer will not be open to the public in jurisdictions in which its launch is subject to legal restrictions. The publication, broadcasting or distribution of this document in certain countries may be subject to legal or regulatory restrictions. Therefore, persons located in countries where this document is published, broadcasted or distributed must inform themselves about and comply with such restrictions. Capgemini and Altran Technologies disclaim any responsibility for any violation of such restrictions.

Pursuant to the commission implementing regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, this press release may contain inside information and has been sent to the authorized broadcaster of Capgemini SE.



Forward looking statements

This document may include forward-looking statements and language indicating trends, such as the words "anticipate", "expect", "approximate", "believe", "could", "should", "will", "intend", "may", "potential" and other similar expressions. These forward-looking statements are only based upon currently available information and speak only as of the date of this press release. Such forward-looking statements are based upon current expectations and are subject to a significant business, economic and competitive risks, uncertainties and contingencies, many of which are unknown and many of which Capgemini and Altran are unable to predict or control. Such factors may cause Capgemini's and/or Altran's actual results, performance or plans with respect to the transaction to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. Neither Capgemini nor Altran, nor any of their advisors accepts any responsibility for any financial information contained in this document relating to the business or operations or results or financial condition of the other or their respective groups. Capgemini, Altran and their advisors expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.



Transaction rationale

Strong strategic fit

Creation of a **€17b revenue**¹ Group of **250,000+** professionals through the combination of a world leader in Consulting & IT and the world leader in Engineering and R&D services

Unique combination of expertise to support the digital transformation of industrial companies: the **Intelligent Industry**

- ▶ Unmatched **scale** and **scope**
- ▶ Boosted **leadership in industrial sectors**
- ▶ Cutting-edge **expertise in new technologies** (5G, IoT, AI...)
- ▶ Expanded reach to client **CxOs**
- ▶ Valued **strategic partner** to leading clients

Ambition to become a leading edge **Software Engineering** company

Value creation

▶ **Double digit accretion**

- ▶ Pre-synergies normalized EPS² accretion of more than 15% in year 1
- ▶ Post-synergies normalized EPS² accretion of more than 25% in 2023

▶ **Synergies**

- ▶ Cost savings and operating model efficiencies
- ▶ Cross selling, new clients and development of innovative sectorial offers

Straightforward integration

- ▶ Close **corporate culture**
- ▶ Similar **operating models**
- ▶ Host of opportunities for the employees of both entities

(1) Based on the objectives of each of the two groups for the year 2019. (2) Normalized earnings per share are calculated as undiluted earnings per share using net income (Group share) adjusted for "other operating income and expenses", net of tax. The detailed definition and reconciliation is available in the Capgemini registration document.



Transaction highlights

Key transaction terms

- ▶ Capgemini to launch a **public tender offer** on Altran
- ▶ **€14.00 per share** in cash representing a premium of
 - ▶ 30% over the month until June 21st VWAP¹
 - ▶ 33% over last 3 months VWAP¹
- ▶ **Transaction consideration of €3.6b²**, before taking into account net financial debt (approximately €1.4b)

Key Support & Commitments

- ▶ **Transaction approved unanimously by both Boards of Directors**
- ▶ Firm agreement provided by a group of shareholders representing c.11% of Altran's capital led by Apax Partners to sell their shares to Capgemini

Financing

- ▶ **Transaction financed** through
 - ▶ own cash for €1b
 - ▶ bond issues
 - ▶ Bridge financing of €5.4b fully secured

Timing

- ▶ Public offer launch after works councils information-consultation and customary regulatory approvals, notably CFIUS and review by antitrust authorities
- ▶ **Closing of the transaction expected by the end of 2019**

(1) Restated for the dividend of €0.24 (to be detached on July 1st 2019) as dividend of FY2018. (2) Based on a fully diluted number of shares excluding 256.9 million treasury shares.



The creation of
a world leader in
Intelligent Industry





The Digital Transformation of industrial companies

INTELLIGENT INDUSTRY

ENGINEERING 4.0 + INDUSTRY 4.0

4 SERVICE PILLARS

SMART SOFTWARE ENGINEERING, R&D

ISV Software
Embedded Software
IoT App
...

SMART PRODUCT ENGINEERING, R&D

Connected Product Eng.
Product Lifecycle
Management
System & Telecom Eng.
Silicon Eng.
Mechanical Eng.
...

SMART MANUFACTURING & ASSET MGT

Manufacturing Execution
System
Asset Lifecycle
Management
...

SMART SUPPLY CHAIN & SUPPORT

Enterprise Resource
Planning
...

EVERYTHING GETS SMARTER

POWERED BY SMART TECHNOLOGIES

AI

IoT

5G

CLOUD

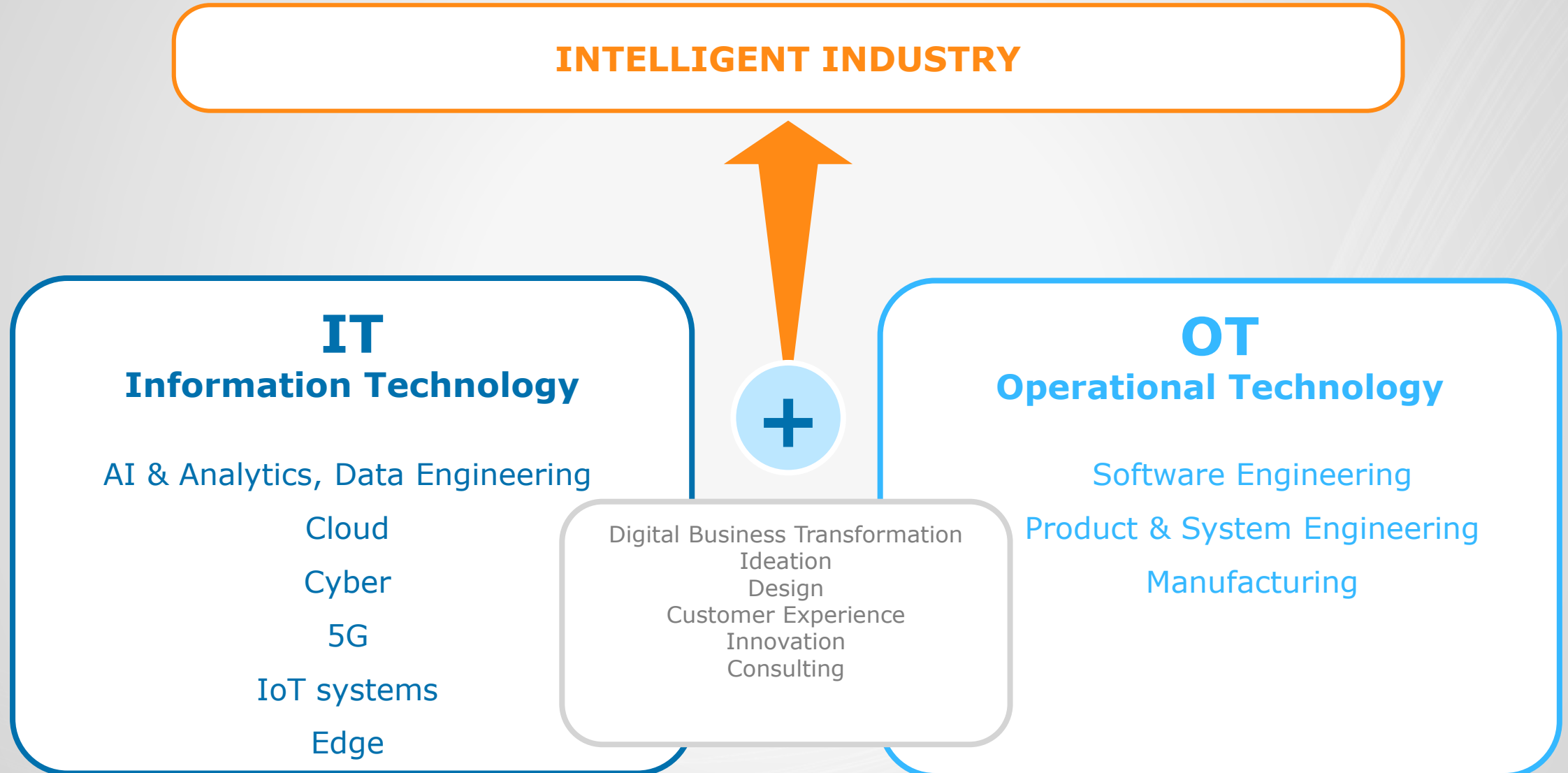
EDGE

DATA

CYBER



Convergence of IT and OT gives birth to Intelligent Industry



Combination of leaders of two converging worlds to create a leader of Intelligent Industry



INTELLIGENT INDUSTRY



IT Information Technology

Capgemini 

Global leader
in Consulting &
IT services

aLTran

OT Operational Technology

aLTran

#1 worldwide
in Engineering
and R&D services

Capgemini 

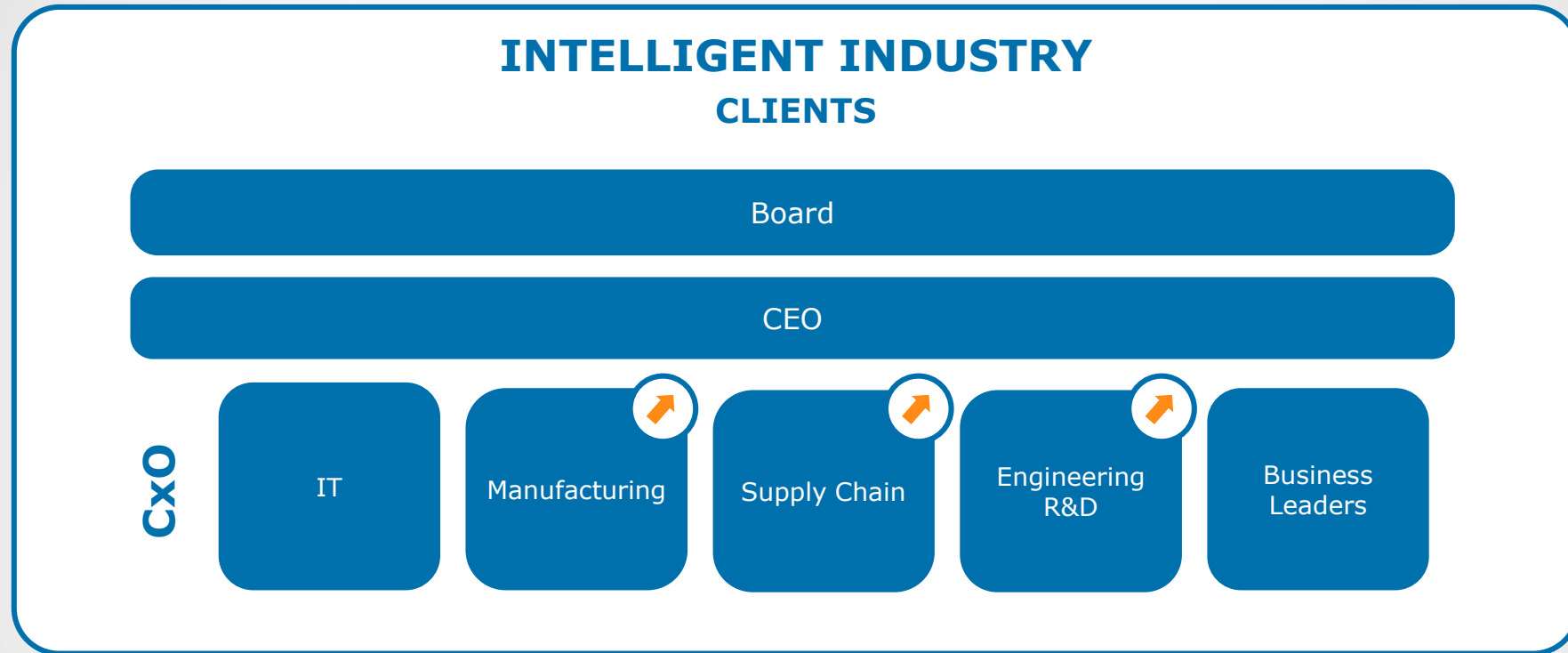
Digital Business Transformation
Ideation
Design
Customer Experience
Innovation
Consulting

Capgemini  **invent**

 **Cambridge
Consultants**
frog design



New access to all key decision makers and technology spenders





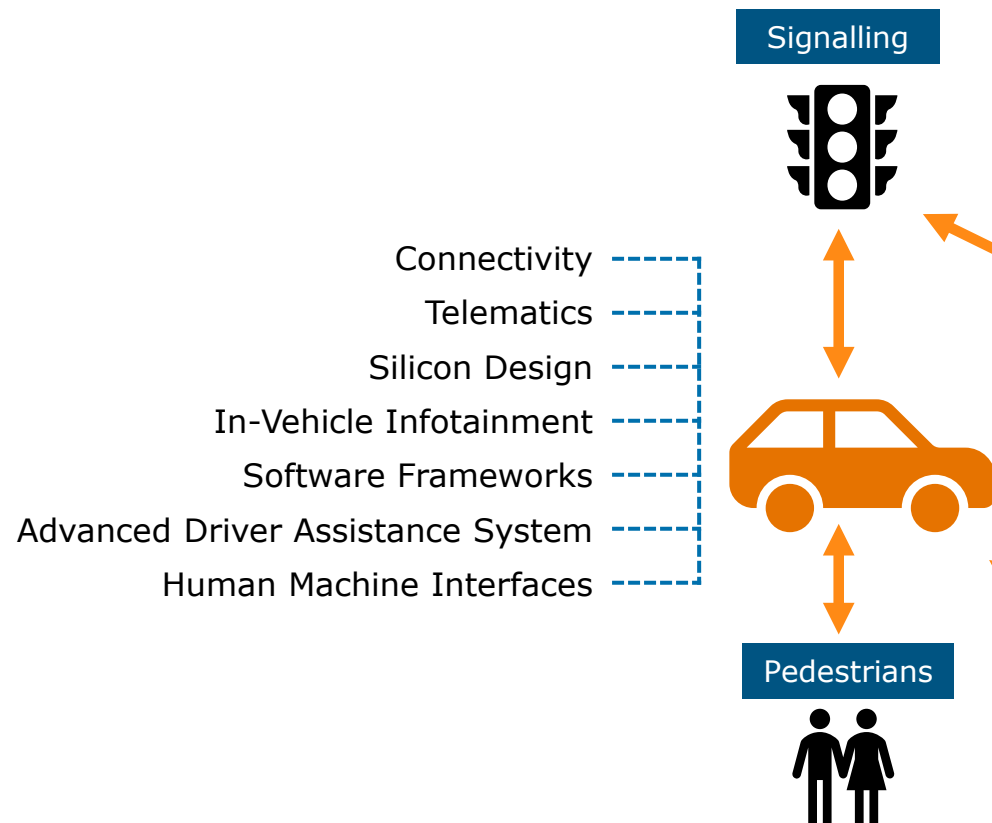
Connected car: a combination of OT and IT

OT

Connected car end2end
system integration

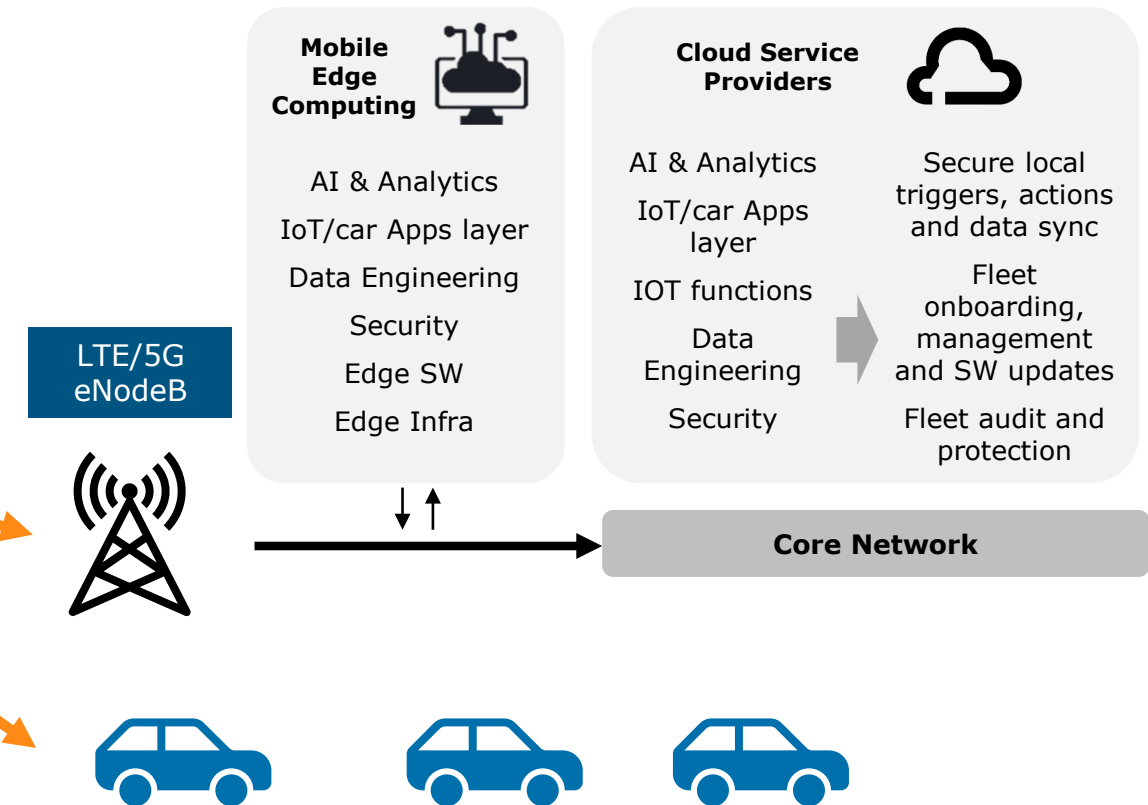
IT

The Thing: the car, sensors, actuators

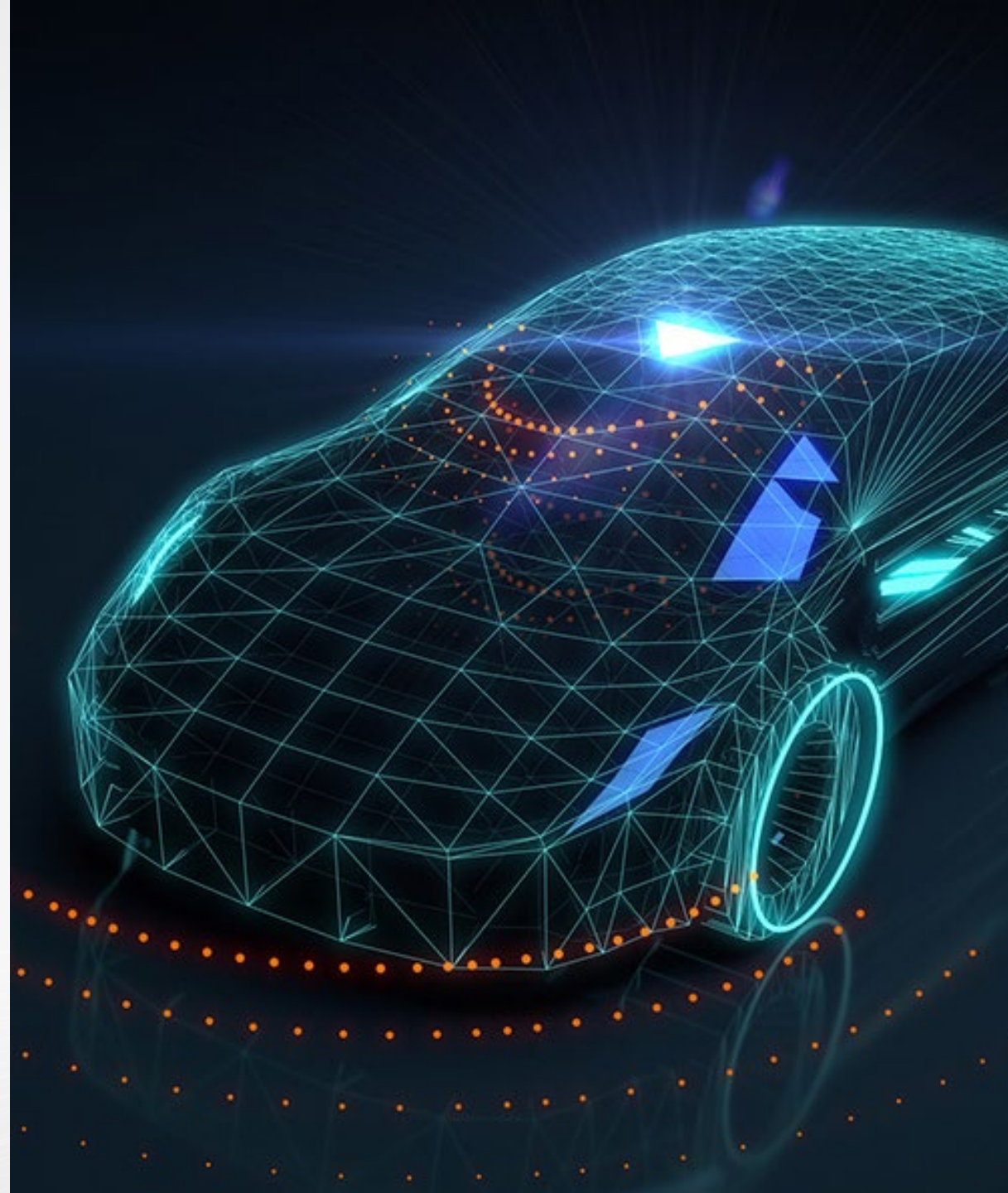


LTE/5G Access domain Mobile Edge Computing

Cloud Native Apps



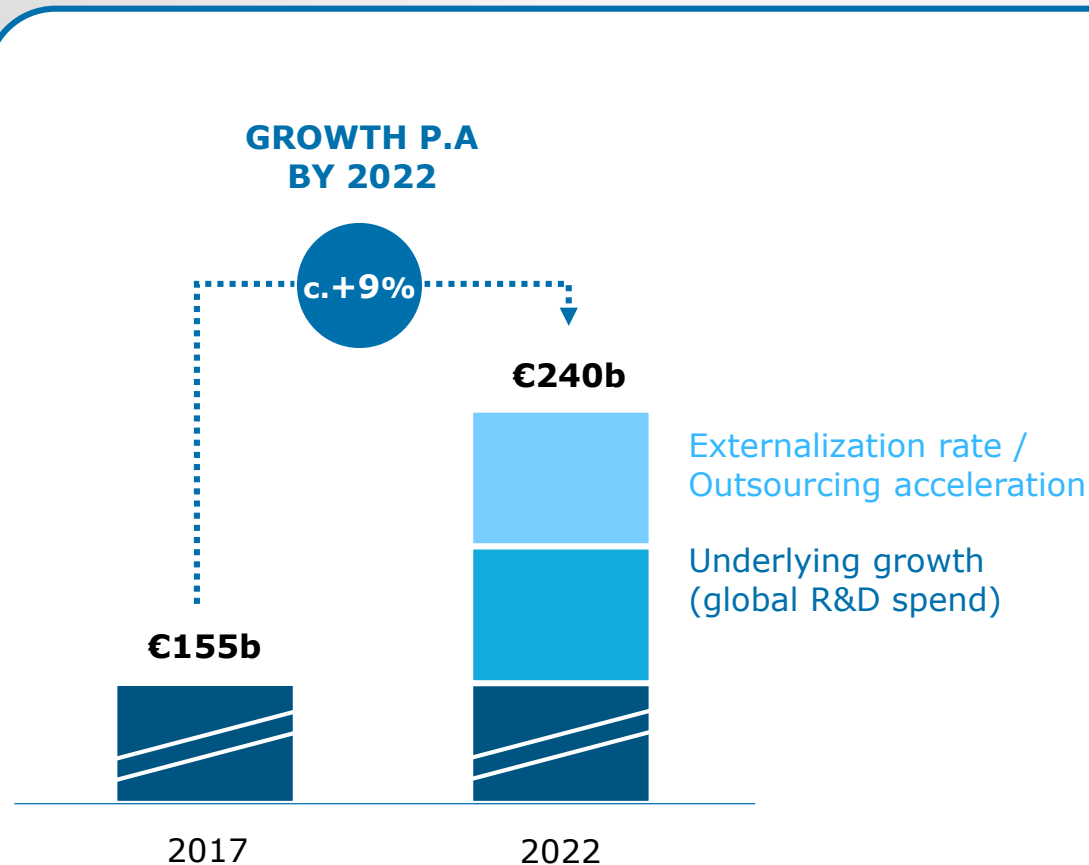
altran





Engineering and R&D services market to grow c. 9% p.a.

ENGINEERING AND R&D SERVICES MARKET EXPECTED TO GROW C. +9% P.A BY 2022



DRIVERS OF MARKET GROWTH

INDUSTRIES

>12%

- Software & Internet
- Semiconductor & Electronics
- Automotive
- Life Sciences
- Next generation communications

8-12%

GEOGRAPHIES

4-6%

- Europe

8-10%

- Americas

9-11%

- Asia / RoW

2017-2022 CAGR

KEY MACRO LEVERS DRIVING INCREASED NEED FOR ER&D SERVICES

- Avalanche of technology disruptions
- Faster time to market
- Talent scarcity and supply/demand geographic mismatch
- Clients deliberate and contrasted approach to ER&D sourcing

A unique portfolio and geographical footprint to address evolving client needs



MAINSTREAM ER&D SERVICES

Fast & flexible deployment of skilled resources
Mostly local sourcing

26,000 on-shore employees

PRODUCT & SYSTEMS ENGINEERING

Product Design & Development
Systems Engineering
Mechanical Engineering
Silicon Electronics & Embedded Systems
Testing & Compliance

DIGITAL & SOFTWARE

Digital Experience Design
Software Product Engineering & Cybersecurity
IT & OT Systems Integration
Advanced Network Technology & IoT
Data Analytics & AI

INDUSTRIAL OPERATIONS

Manufacturing Engineering & Technology
Supply Chain & Quality Management
Operations & Asset Management
Network Operations & Transformation
Product Support & Sustenance

HIGH VALUE SERVICES

Access to cutting-edge expertise and technology accelerators
Enabler for client innovation
Digital & human-centered design

 EXPERIENCE DESIGN & INNOVATION STRATEGY	 INNOVATIVE PRODUCT DEVELOPMENT	 DISRUPTIVE SOFTWARE PRODUCTS
 IoT & EDGE COMPUTING	 ANALYTICS & AI	 SOFTWARE FRAMEWORKS
 CYBERSECURITY	 ADVANCED NETWORKS	 ADVANCED MANUFACTURING

Unmatched portfolio of next core brands with 3,500 experts

INDUSTRIALIZED SERVICES

Transformation & outsourcing
Factories & automation
Global pool of talents

The premier ER&D global delivery, leveraging 5 Global Engineering Centers with 17,500 employees



Altran: the global leader in Engineering and R&D services



A solid performance

2018 Revenues
€2,916m

2018 Operating margin
12.1%

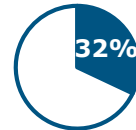
2018 Headcount
47,000

Worldwide
#1

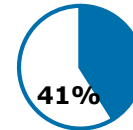


A balanced geographical mix (% of 2018 revenues)

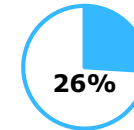
France



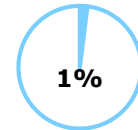
Rest of Europe



North America



Rest of the World

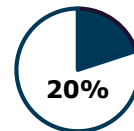


A diversified industry mix (% of 2018 revenues)

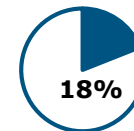
Automotive



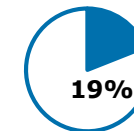
Aerospace,
Defense & Rail



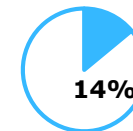
Energy,
Industrial &
Life Sciences



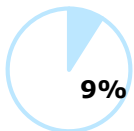
Communications



Hi-tech,
Semicon. &
Software



Others



Blue chip clients portfolio



Capgemini

+

altran

IT
Information
Technology



OT
Operational
Technology



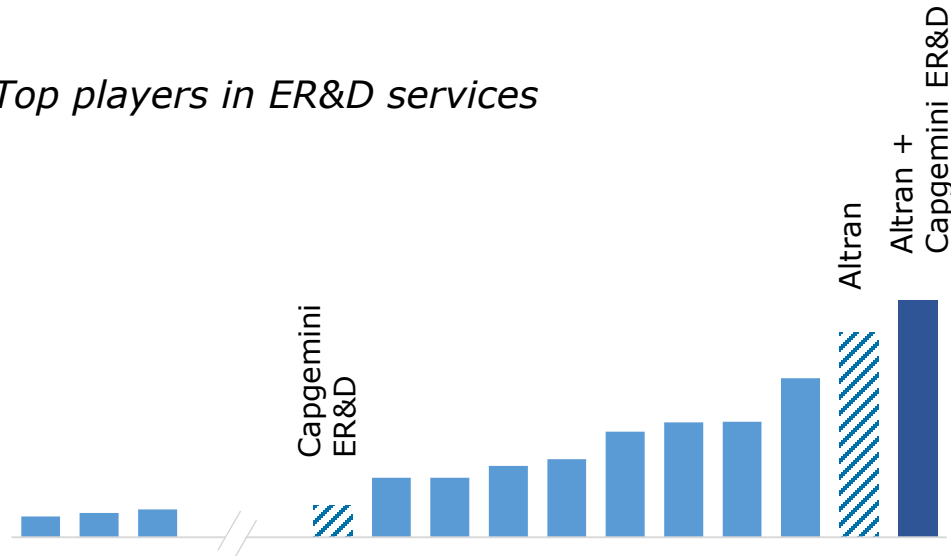


A strengthened leadership in Operational Technologies

GLOBAL ER&D SERVICES LEADER IN SCALE AND FOOTPRINT

~€3.4b revenues in Engineering and R&D
54,000+ professionals
Incl. **21,000+** in Global Engineering Centers

Top players in ER&D services



Revenues 2018. Source: HFS and Capgemini

DIVERSIFIED LEADERSHIP IN ER&D SERVICES ACROSS SECTORS

#1
Aeronautics & Defense

#1
Semiconductor & Electronics

#1
Telecom

Top 5
Automotive

Source: Altran

ACCESS TO MOST OF TOP 20 R&D SPENDERS



Source: European Commission - The 2018 EU Industrial R&D Investment Scoreboard

We aim to become a leading edge Software Engineering company



Become the **partner of choice of Internet and ISV¹ companies**

Among Altran clients:

- 6 among Top 10 ISV companies
- 26 among Top 100 ISV companies
- 5 among Top 25 Internet companies

Cross leverage
partnerships



Combine at scale

- Altran Software Engineering capabilities through ex-Aricent and Lohika
- with Capgemini capabilities in DevOps, Cloud, Data, AI

Build on existing **delivery capabilities** in India and Eastern Europe

(1) ISV : Independent Software Vendor

Capgemini



altran

Value creation
Next steps





2018 combined view



(In €M, published FY 2018 figures)

Capgemini  + altran = COMBINATION

Revenues

% constant currency growth (YoY)

13,197
+8.1%

2,916
+8.0%



16,113
+8.1%

Operating Margin

% of revenues

1,597
12.1%

352
12.1%



1,949
12.1%

Headcount

211,000

47,000



258,000

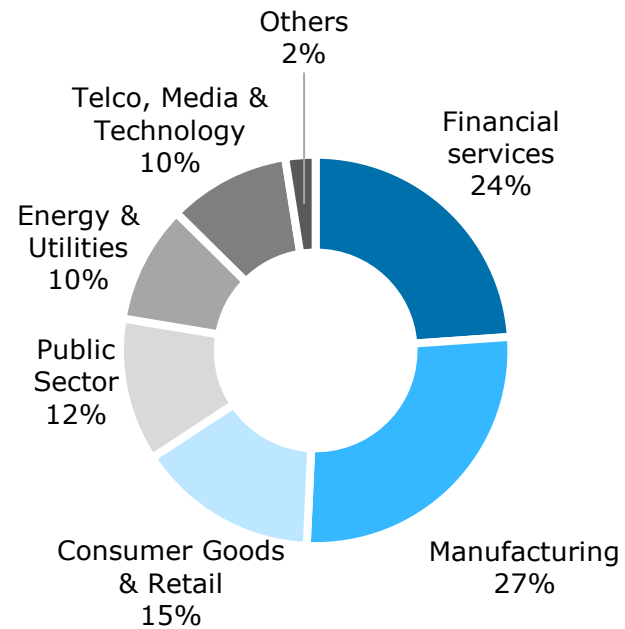
All reported figures for Altran include Aricent from March 20, 2018 and fully reflect the implementation of IFRS 15.



2018 combined view

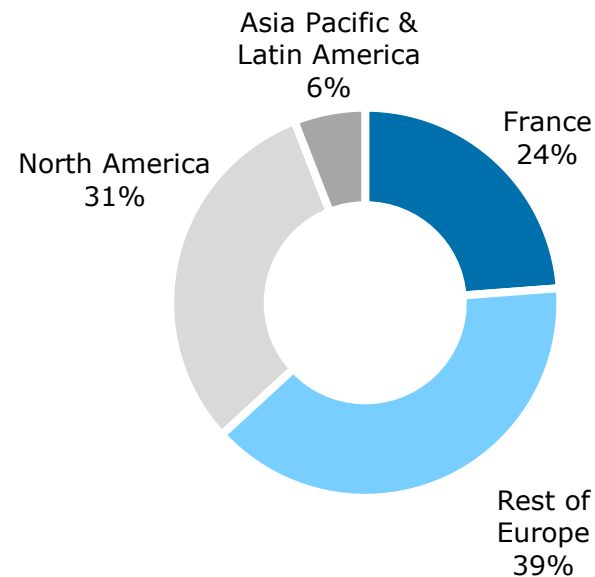
REVENUES BY SECTOR

Many new **Top Accounts** across the sectors

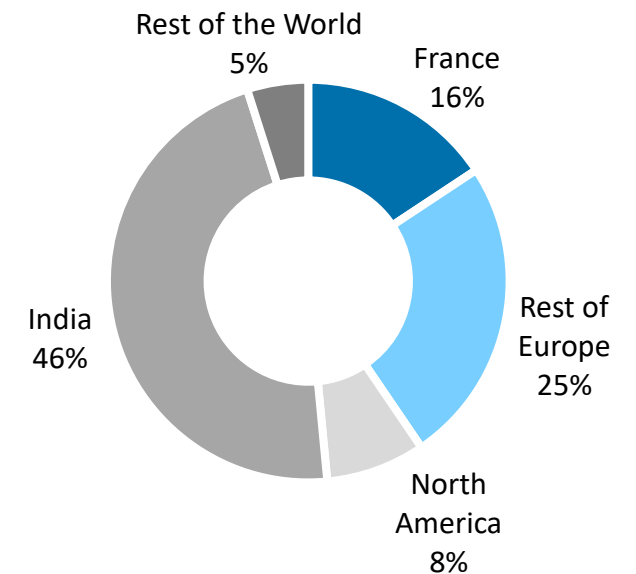


+52% in Manufacturing
+100% in Telco, Media & Technology

REVENUES BY GEOGRAPHY



HEADCOUNT





Value creation

Pre-synergies normalized EPS¹ accretion of more than 15% in year 1

Post-synergies normalized EPS¹ accretion of more than 25% in 2023

Revenue synergies

Revenue synergies
€200-350m

- ▶ Cross-selling opportunities
- ▶ New clients
- ▶ Development of innovative sectorial offers

Cost savings & operating model efficiencies

Annual run-rate
cost synergies
€70-100m

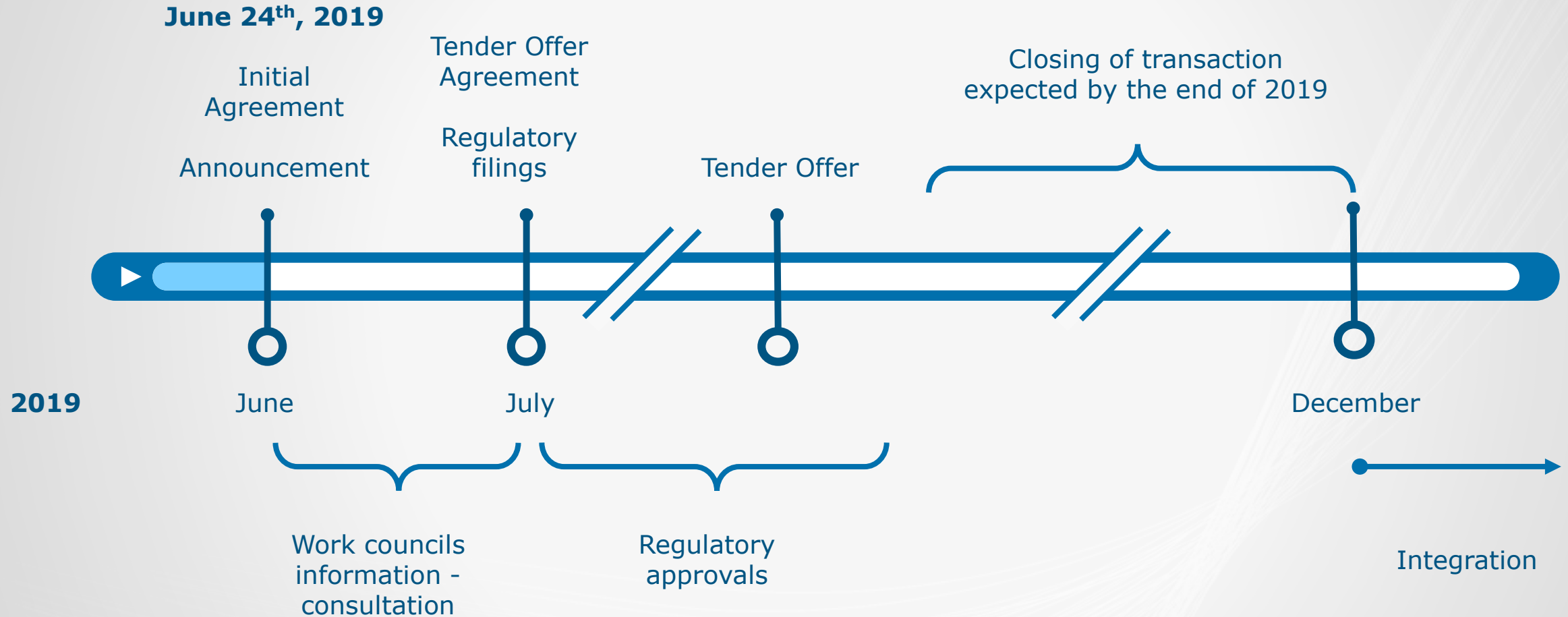
- ▶ SG&A, purchasing and facilities optimization
- ▶ Drive Altran's Industrialized Globalshore® to the next level

Synergies achieved within 3 years

(1) Normalized earnings per share are calculated as undiluted earnings per share using net income (Group share) adjusted for "other operating income and expenses", net of tax. The detailed definition and reconciliation is available in the Capgemini registration document.

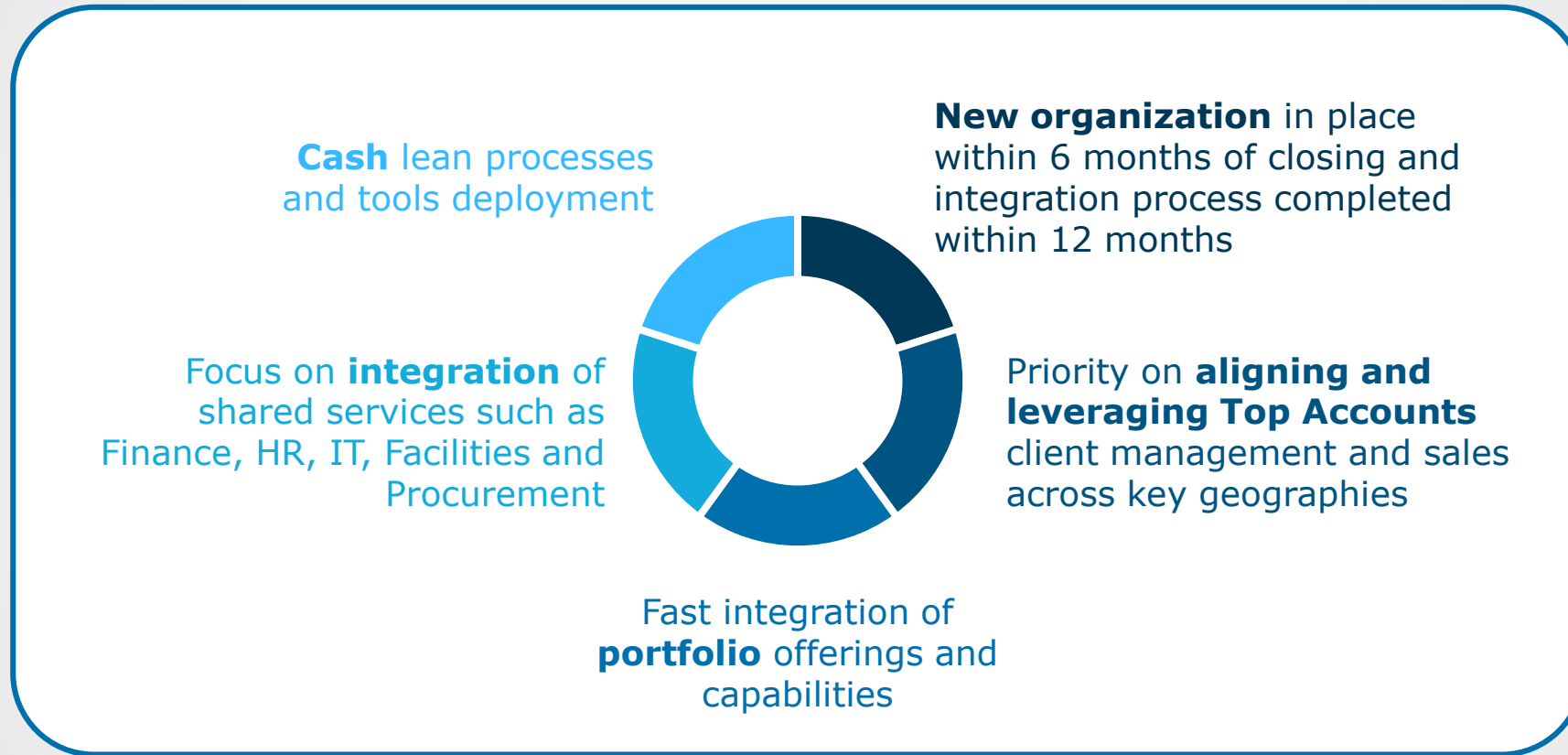


Transaction timeline





Integration process





Summary

1

Friendly transaction, unanimously recommended and approved by both Boards of Directors

2

Unique business proposal within the market to address the Intelligent Industry: scale and skills in IT, Digital Transformation, Consulting, Engineering and R&D

3

Strengthened leadership in the fast-growing market of Engineering and R&D services

4

Close corporate culture and similar operating model enabling straightforward integration

5

Strong value creation

About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in over 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion.

Learn more about us at

www.capgemini.com



People matter, results count.

This message contains information that may be privileged or confidential and is the property of the Capgemini Group.

Copyright © 2019 Capgemini. All rights reserved.

Biraud, Vincent

Head of Investor Relations

vincent.biraud@capgemini.com

+33 1 4754 5087

Schmitt, Marine

Senior Investor Relations Manager

marine.schmitt@capgemini.com

+33 1 4754 5082

Massoni, Patrick

Senior Investor Relations Manager

patrick.massoni@capgemini.com

+33 1 4754 51 41