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IGATE Integration Update
2016 Capital Market Day
June 1st – Munich
What we announced at the time of the acquisition around the rationale…

Affirming global leadership by scaling up North America and global delivery
- North America FY14 Revenue +33%
- Offshore penetration ~55% at end 2015
- Attractive portfolio of new flagship clients
- Complementary vertical positions

Attractive Synergy Potential
- Strong operational efficiency gains in North America and India
- Actionable cross-selling opportunities leveraging complementary service portfolio & client base

Financially Attractive
- Strong operating margin and revenue growth
- Enhanced cash flow generation
- Accelerated use of NOLS in the US
- Immediately accretive on EPS

Straightforward Execution
- Friendly transaction
- One-step cash merger
- No antitrust issue anticipated
... and the synergies to be achieved within 3 years

**Enhanced Operating Model**
- Combination on capacity utilization, average pyramid, offshore leverage, enhanced scale by city in India

→ Annual savings estimates: $45 – 65M

**Cost Synergies**
- SG&A rationalization: $25 – 30M
- Facilities optimization: $5 – 10M

→ Annual savings estimates: $30 – 40M

**Revenue Synergies**
- Cross selling opportunities leveraging complementary service portfolio & client base, IGATE adding attractive new flagship clients
- Development of IGATE large account penetration through enhanced global footprint

→ Revenue synergies: $100 – 150M

**Delivery Synergies**
- Deployment of Capgemini delivery methodology and tools
- Increase productivity through automation
- Larger capability pools and delivery footprint in India
We are on track to finalize the integration by the end of the year.

**H2 2015**
- Acquisition of IGATE on July 1st
- First joint client wins at Willis and GE
- Leadership integration
- Integrated organization designed
- New joint capability marketing plans
- Combined events for employees

**H1 2016**
- Integrated P&Ls and employee management launched
- All operations under a single brand
- Joint go to market
- Integrated work environment and performance management system
- Developing plans for integration of legal entities, processes, systems and support organizations

**H2 2016**
- Integration of legal entities
- Integrated systems live on January 1st, 2017
- Alignment of support organizations
- One India model in place
We are executing a massive change program and creating a world class competitive platform in India

**Massive change program**

- Over 45 entities to liquidate/integrate
  - 18 done
  - 24 additional by year end
- Thousands of clients contracts and SOWs to migrate
- Integrated go to market across SBUs in NA
- >6000 people moved physically
- Grade mapping for 90,000 people in India
- 58 applications being consolidated

**World Class Operation in India**

- Common HR policies and processes across 100,000 people
- India Resource supply chain platform and systems enabled by AI
- Unified recruitment, on boarding and training for over 30,000 employees
- Centralized “fresher” management program
- Massive reskilling to new technologies
- Redesigning and integrating global shared services platforms

*Leveraging IGATE integration to speed-up our globalization initiatives*
We are preserving the IGATE model

Go To Market
- Retaining IGATE client intimacy model
- Leveraging it across the Group starting with NA

Client Retention
- No attrition in top 30 clients
- Estimated revenue growth above mid single digit in Q1

Talent Retention
- No attrition in Senior Leadership
- Attrition in experienced levels less than 10%
- India attrition down YoY

Economic Model
- Onshore margins slightly up, offshore margins stable
- Overall utilization stable
- Overall estimated operating margin up

In a recent survey over 80% of ex-IGATE employees considered that:
- Integration is progressing well and bringing positive changes (83%)
- Business opportunities are created (84%)
- Career opportunities will emerge (85%)
Synergies delivery is ahead of plan

Cost Synergies
Annual savings estimates: $30 – 40M
- Cost synergies implemented
- Annual run rate achieved
  - Procurement + Facilities: 30%
  - Cost avoidance + synergies: 70%

Revenue Synergies
Revenue synergies: $100 – 150M
- Cross synergy TCV bookings > $60M ($45M in Q1)
  - Primarily North America
  - 50% in Financial Services
- Pipeline > $500M
  - 7 deals > $20M

Enhanced Operating Model
Annual savings estimates: $45 – 65M
- Initial activities initiated, program will accelerate in H2
- Initial savings linked to reduction of sub contractors in NA

Delivery Synergies
- Deployment of Capgemini delivery methodology and tools in progress
- Cross staffing of capabilities
- Integration of India resource supply chain in H2

On track to deliver ahead of plan in 2016
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