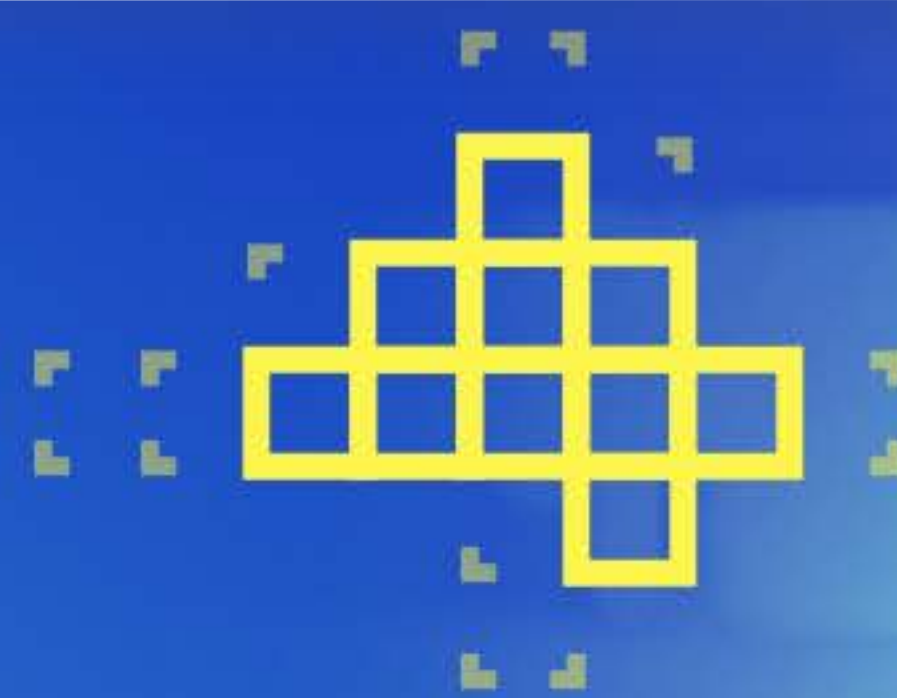


# Aiman Ezzat

## IGATE Integration Update

2016 | Capital Market Day

June 1st – Munich



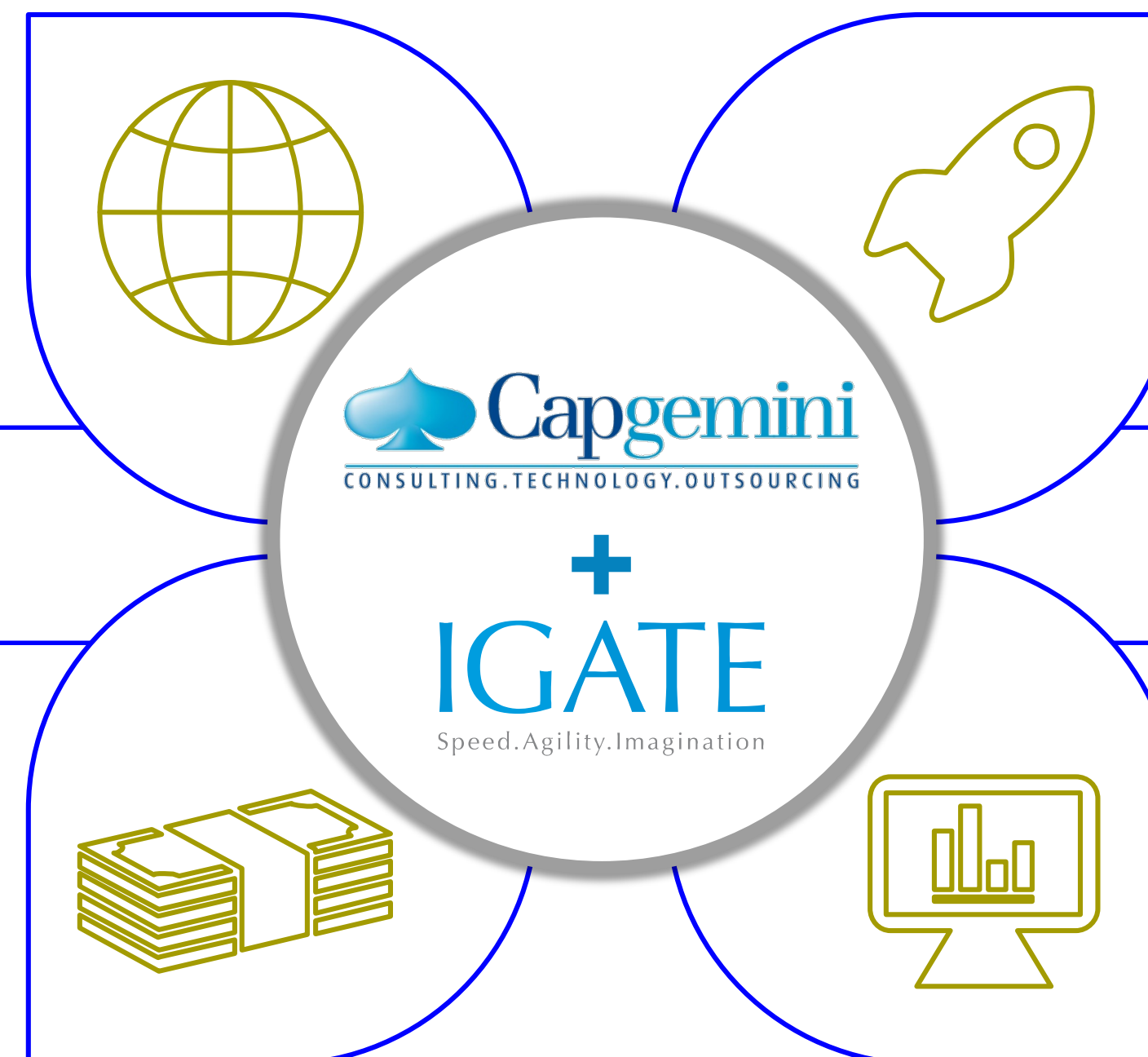
# What we announced at the time of the acquisition around the rationale...

## 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

## Financially Attractive

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



## Attractive Synergy Potential

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

## Straightforward Execution

- Friendly transaction
- One-step cash merger
- No antitrust issue anticipated

# ... and the synergies to be achieved within 3 years

## Enhanced Operating Model

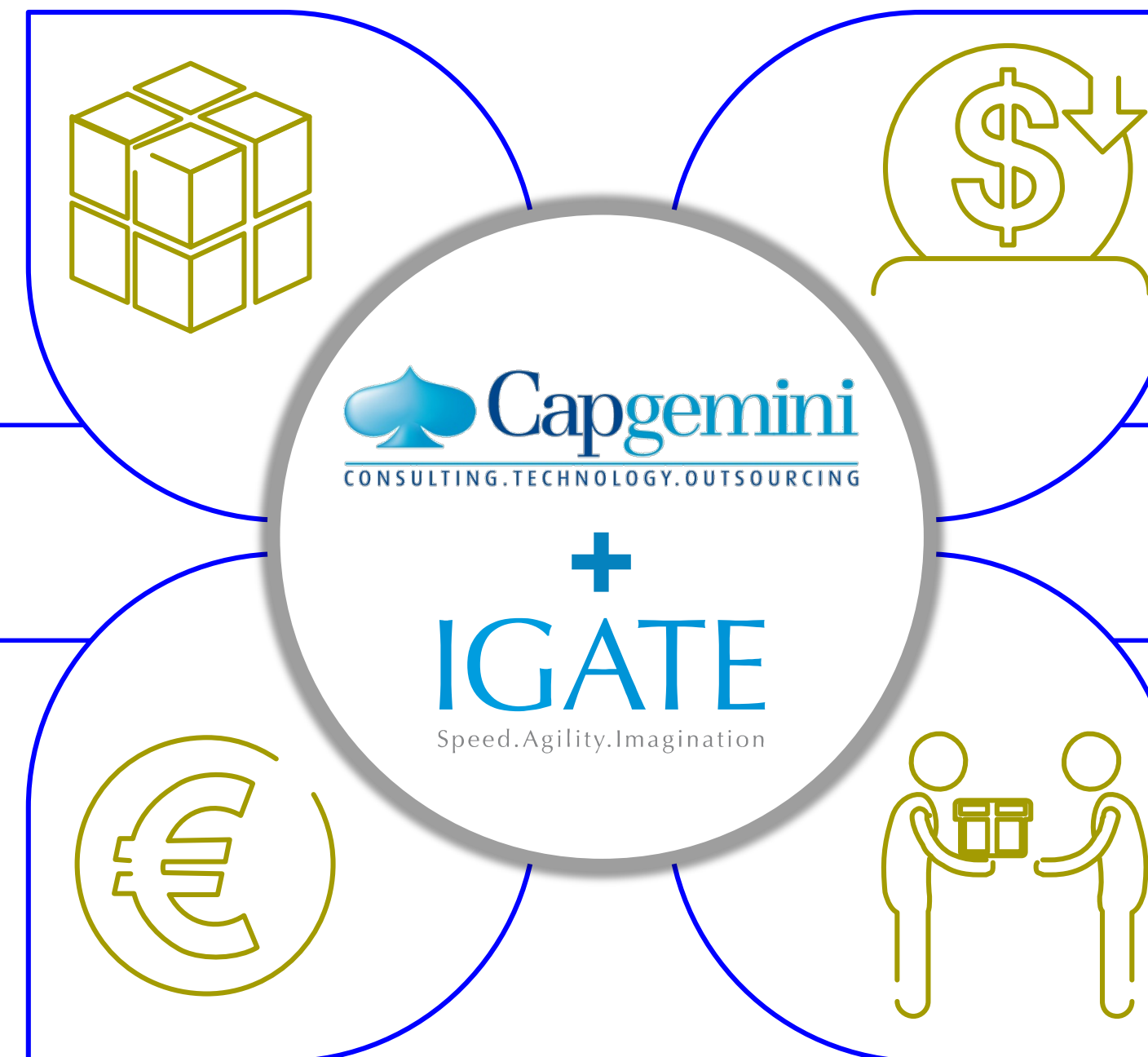
- Combination on capacity utilization, average pyramid, offshore leverage, enhanced scale by city in India

→ Annual savings estimates: \$45 – 65M

## 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



## Cost Synergies

- SG&A rationalization: \$25 – 30M
- Facilities optimization: \$5 – 10M

→ Annual savings estimates: \$30 – 40M

## 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

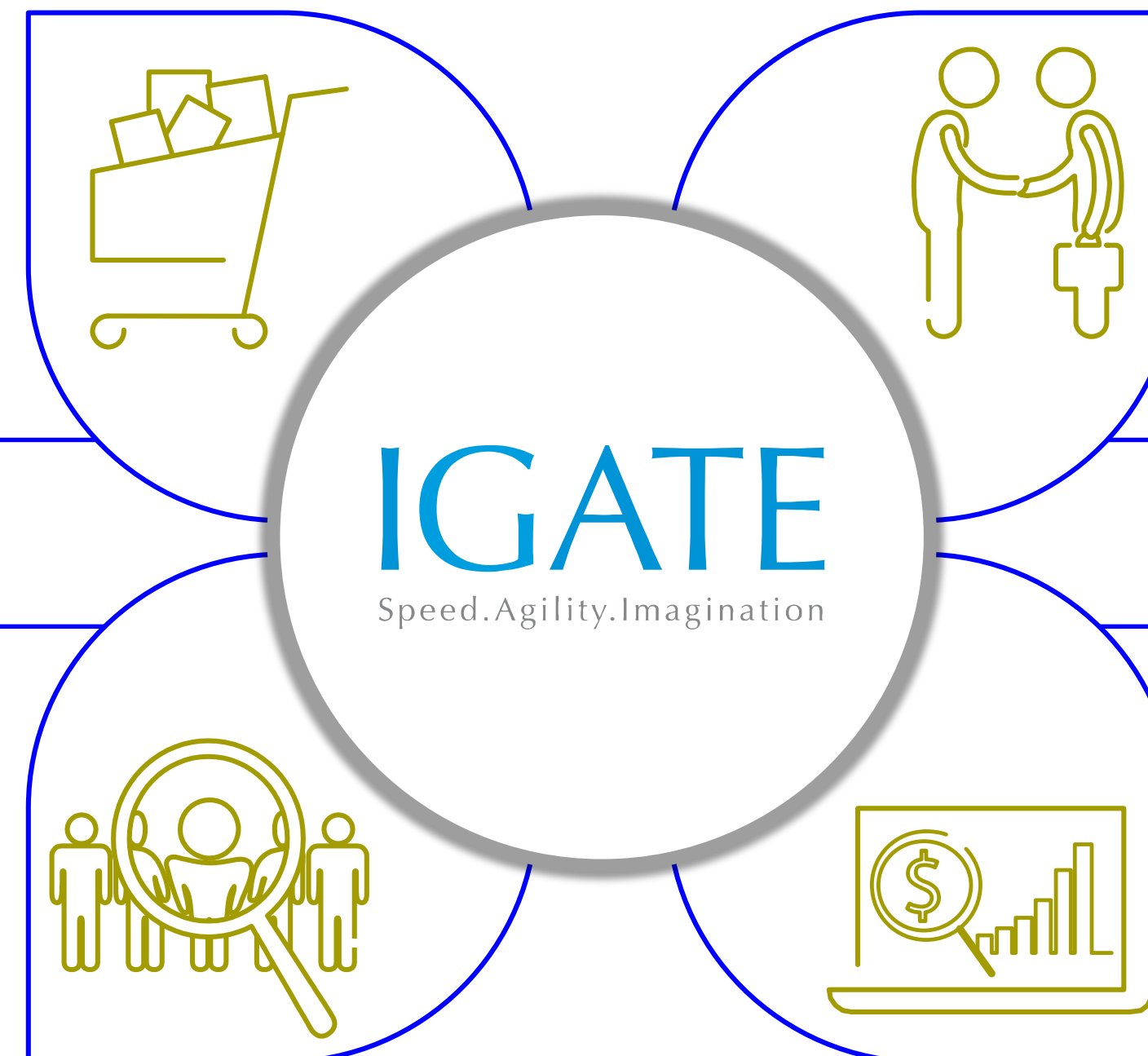
- Common HR policies and processes across 100,000 people
- India Resource supply chain platform and systems enabled by AI
- Unified recruitment, on boarding and training for over 30,000 employees
- Centralized “fresher” management program
- Massive reskilling to new technologies
- Redesigning and integrating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

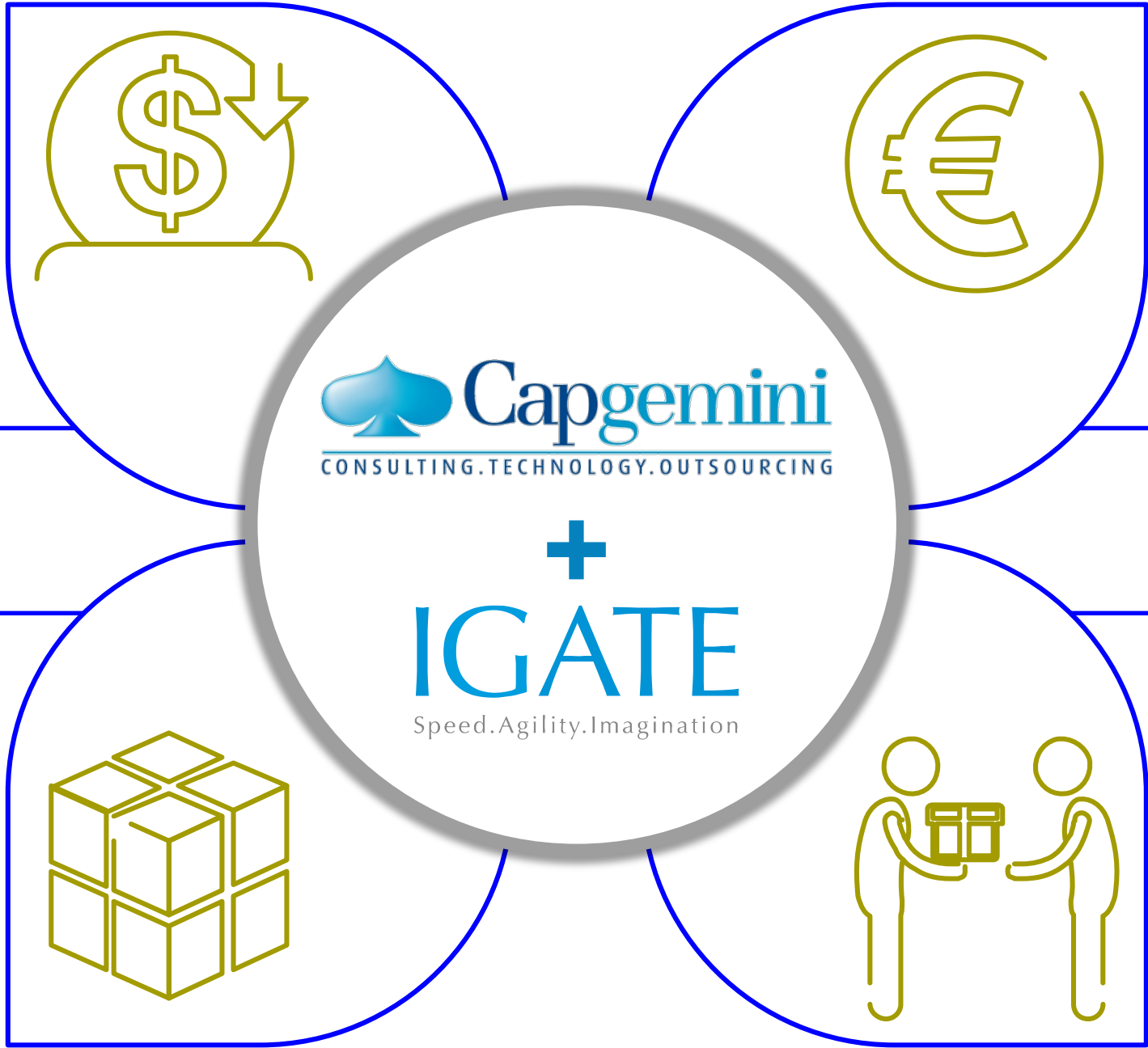
Annual savings estimates: \$30 – 40M

- Cost synergies implemented
- Annual run rate achieved
  - Procurement + Facilities: 30%
  - Cost avoidance + synergies: 70%

## 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



## 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

## 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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