



altran



Capgemini and Altran

create a global digital transformation leader
for industrial and tech companies

Paris - June 24th, 2019



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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 256.9 million shares, excluding treasury shares and on a fully diluted basis.



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

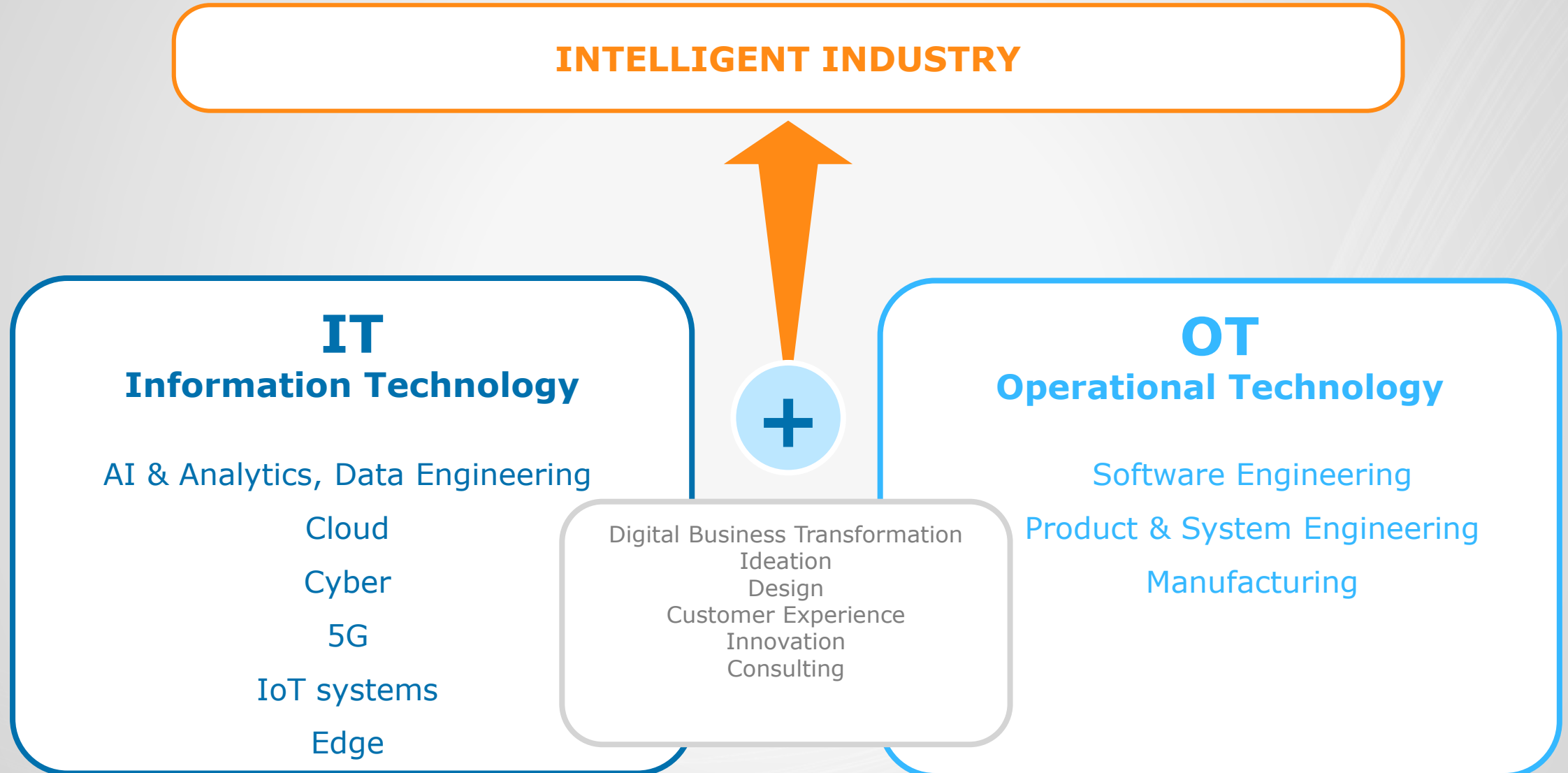
EDGE

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

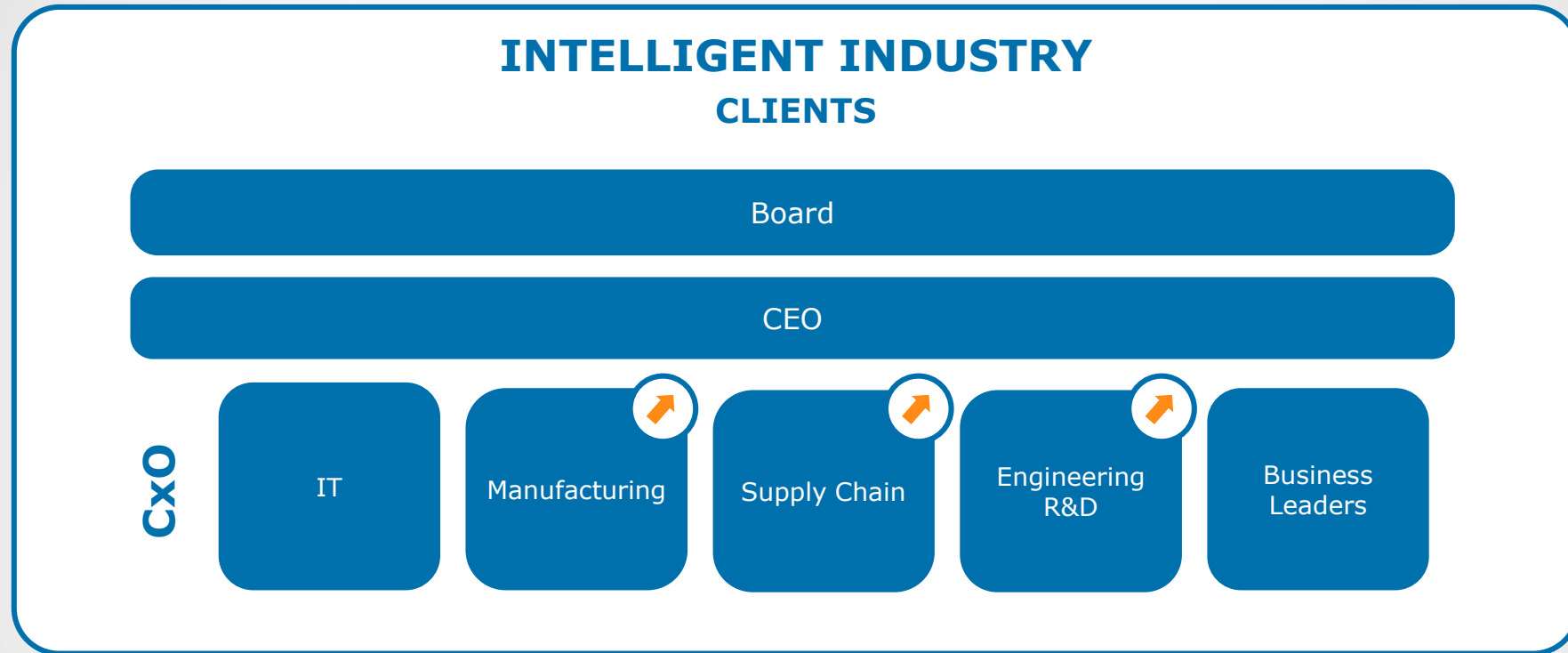
Digital Business Transformation
Ideation
Design
Customer Experience
Innovation
Consulting

Capgemini invent

Cambridge
Consultants
frog design



New access to all key decision makers and technology spenders





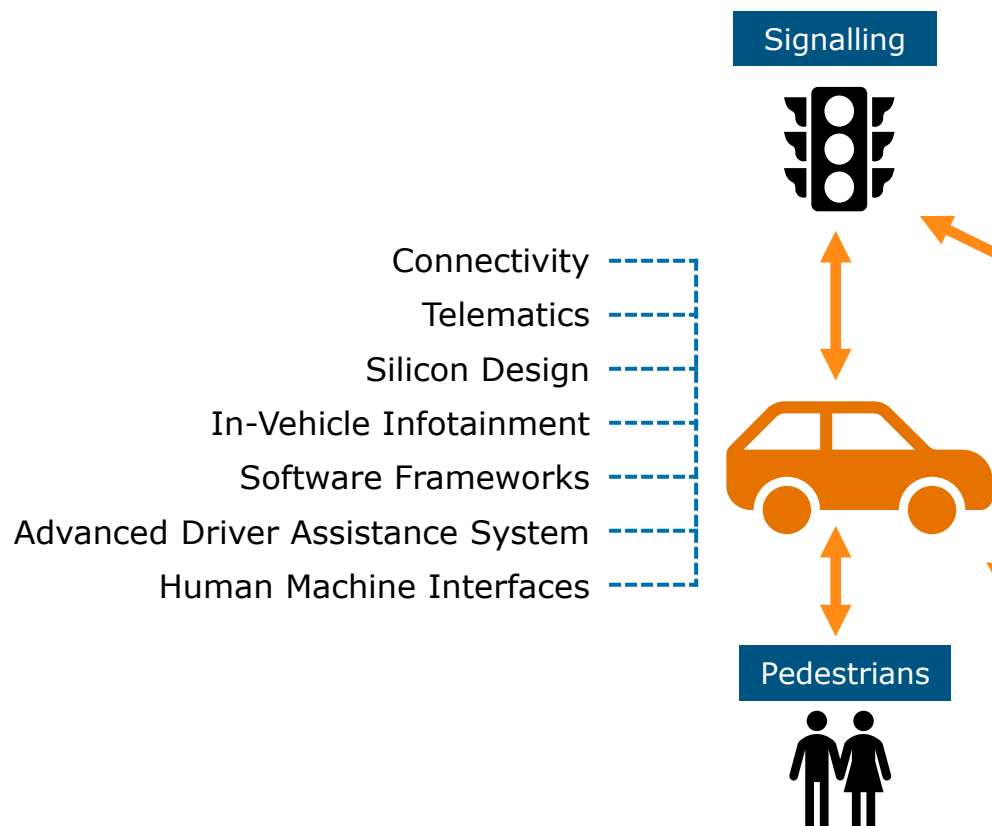
Connected car: a combination of OT and IT

OT

Connected car end2end
system integration

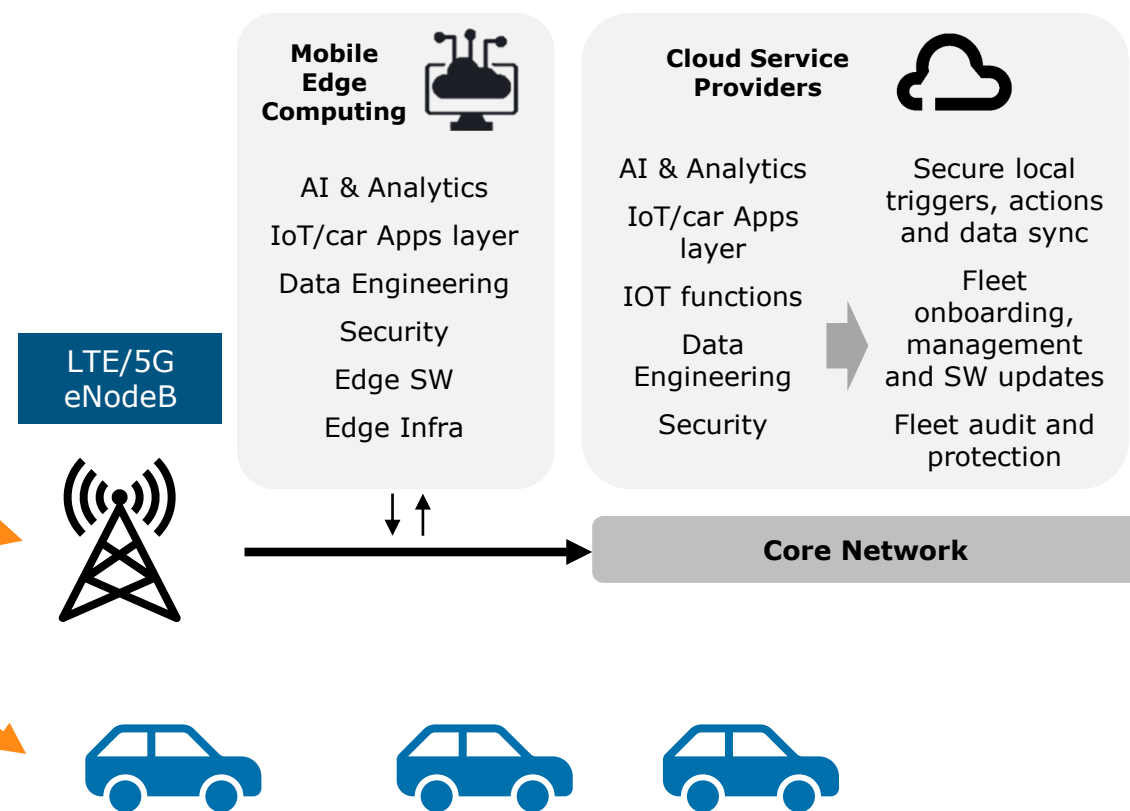
IT

The Thing: the car, sensors, actuators

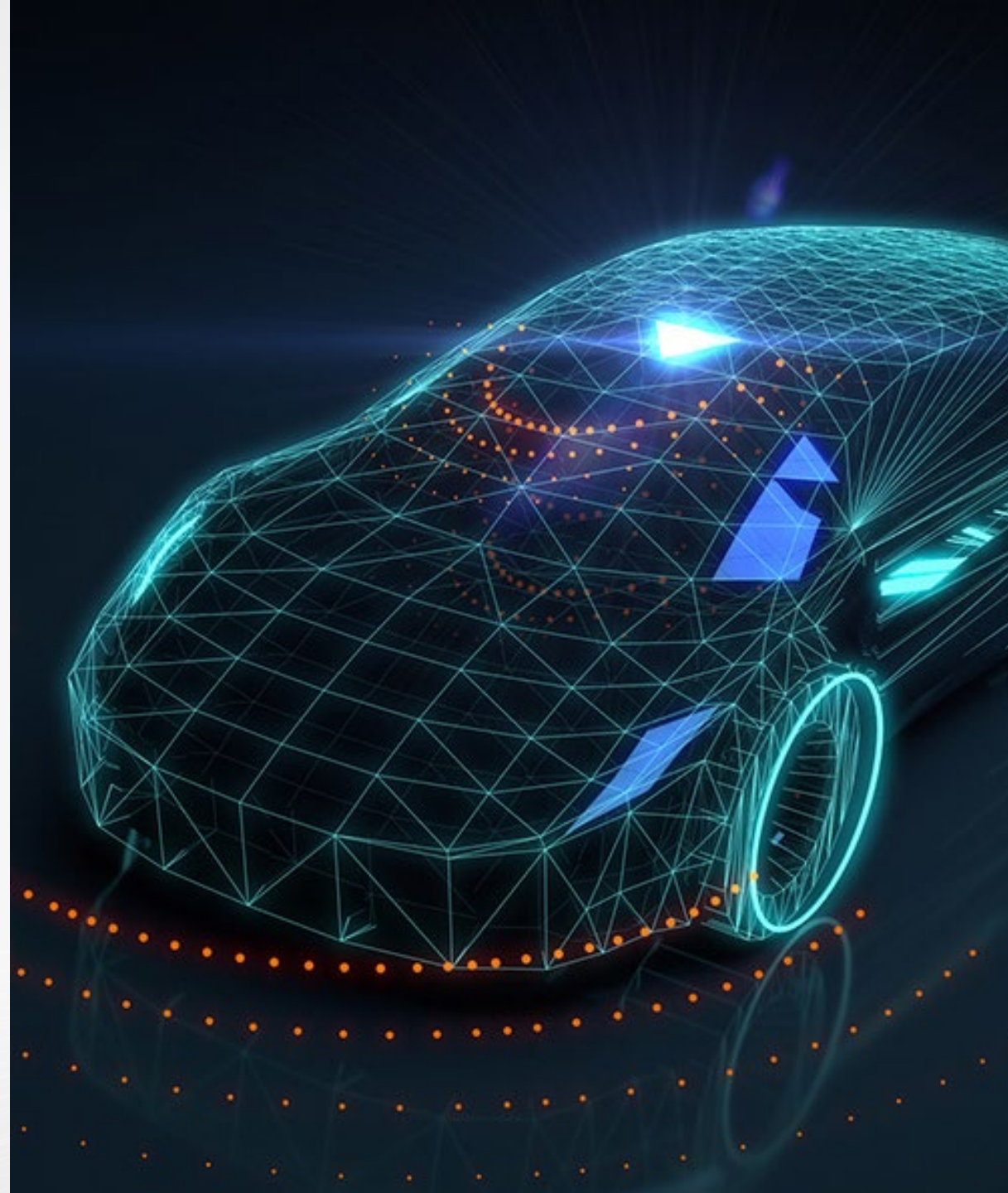


LTE/5G Access domain Mobile Edge Computing

Cloud Native Apps



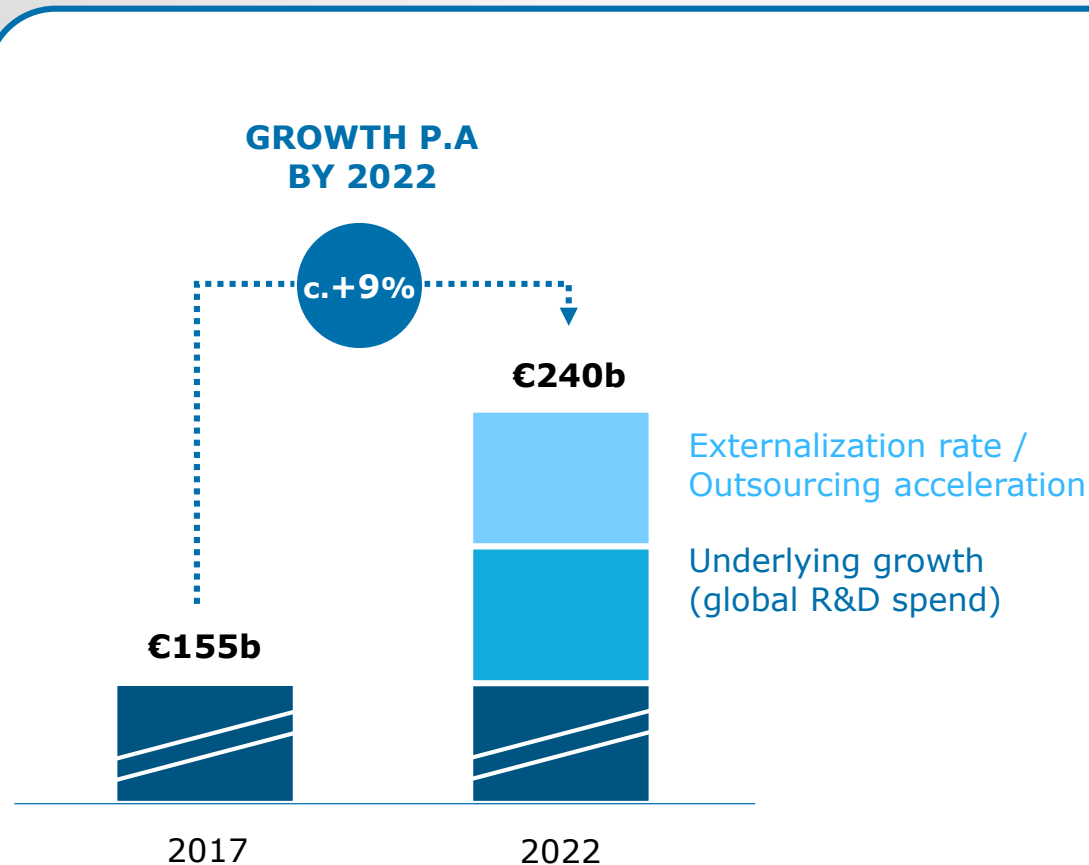
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Engineering and R&D services market to grow c. 9% p.a.

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%

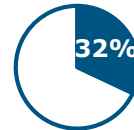
2018 Headcount
47,000

Worldwide
#1

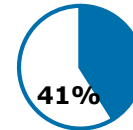


A balanced geographical mix (% of 2018 revenues)

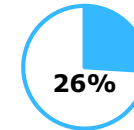
France



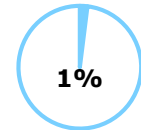
Rest of Europe



North America



Rest of the World

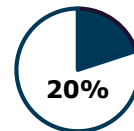


A diversified industry mix (% of 2018 revenues)

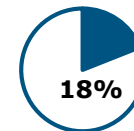
Automotive



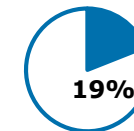
Aerospace,
Defense & Rail



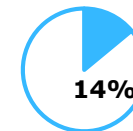
Energy,
Industrial &
Life Sciences



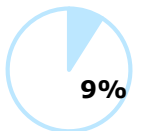
Communications



Hi-tech,
Semicon. &
Software



Others



Blue chip clients portfolio



Capgemini

+

altran

IT
Information
Technology



OT
Operational
Technology



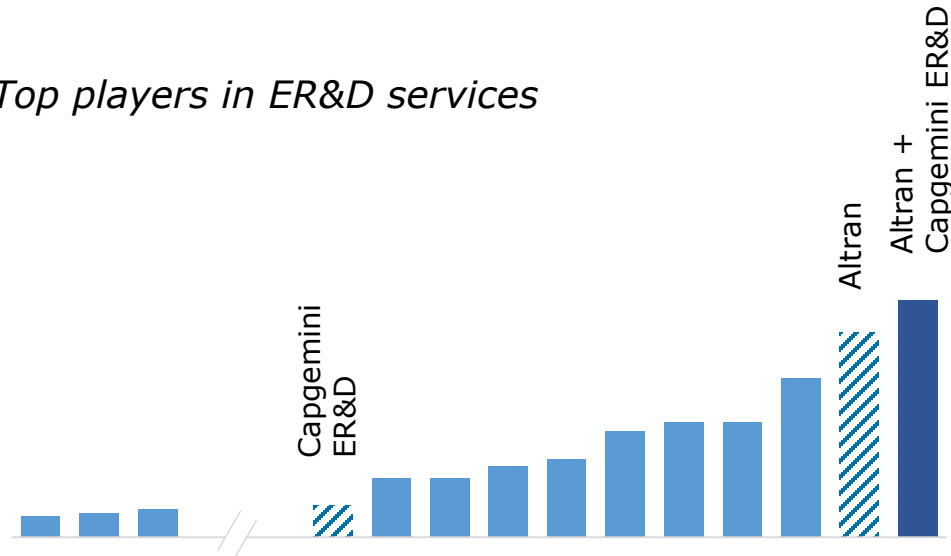


A strengthened leadership in Operational Technologies

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



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

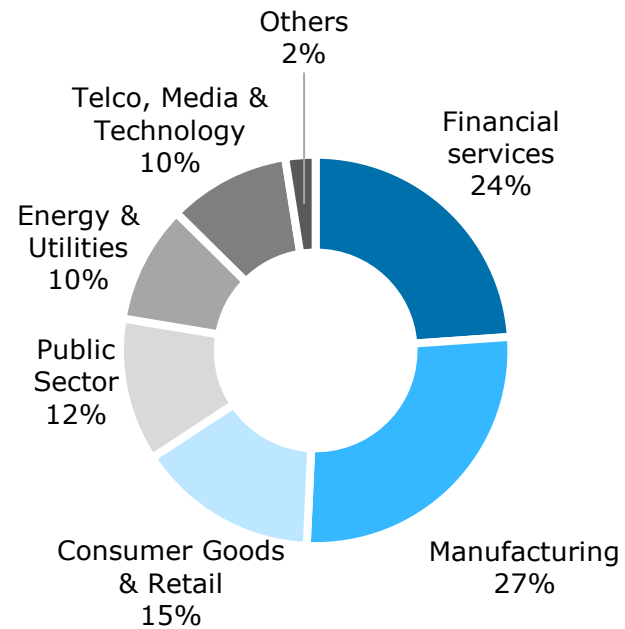
All reported figures for Altran include Aricent from March 20, 2018 and fully reflect the implementation of IFRS 15.



2018 combined view

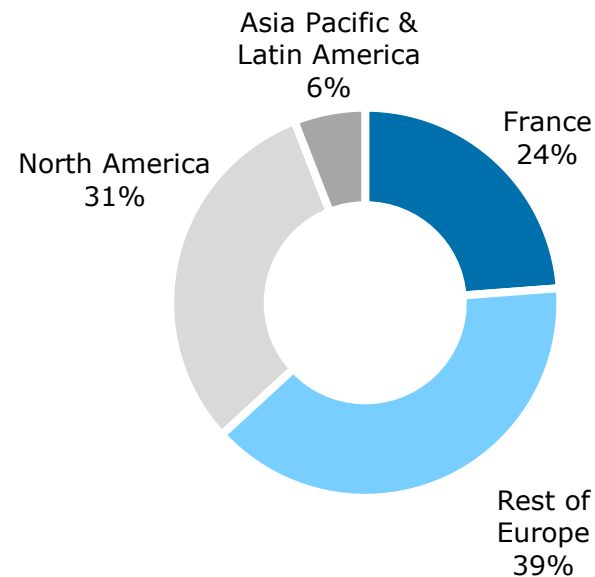
REVENUES BY SECTOR

Many new **Top Accounts** across the sectors

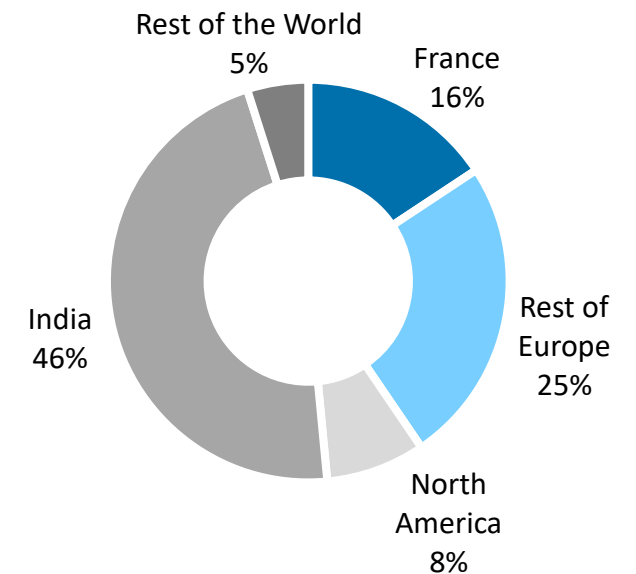


+52% in Manufacturing
+100% in Telco, Media & Technology

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

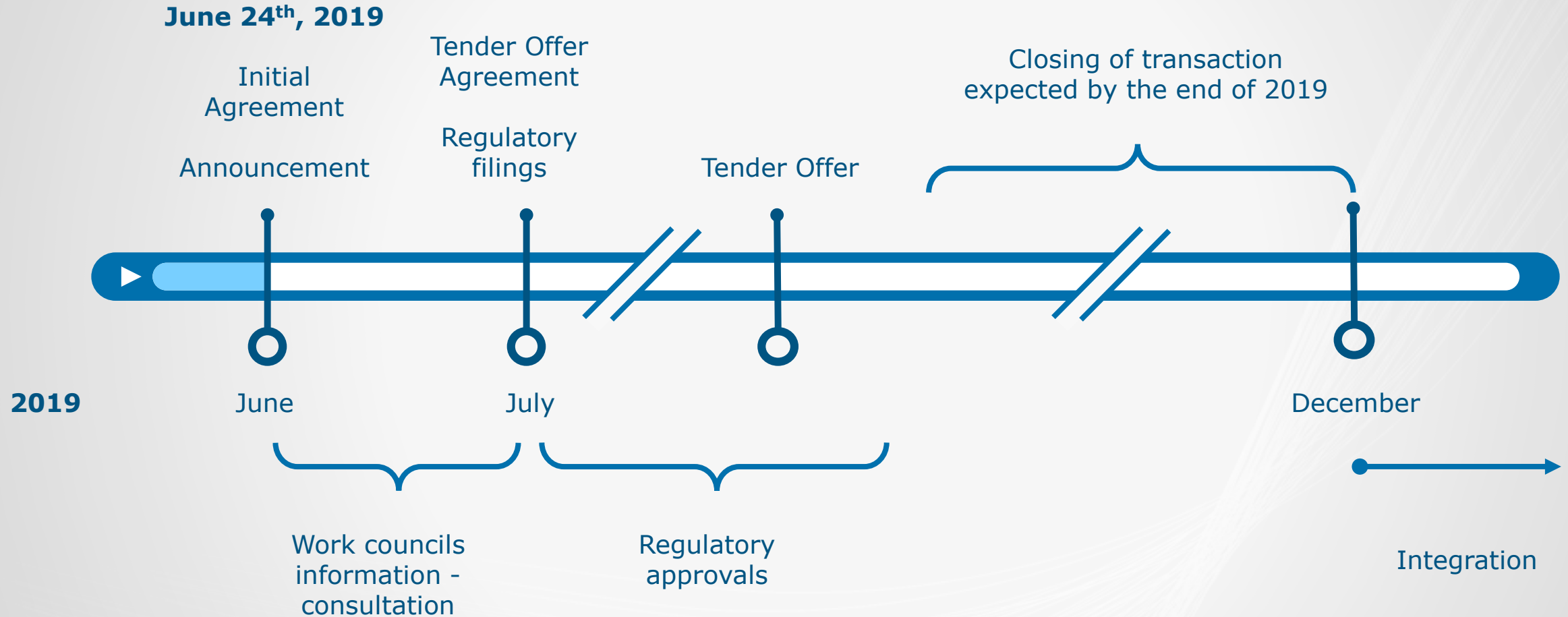
- ▶ SG&A, purchasing and facilities optimization
- ▶ Drive Altran's Industrialized Globalshore® to the next level

Synergies achieved within 3 years

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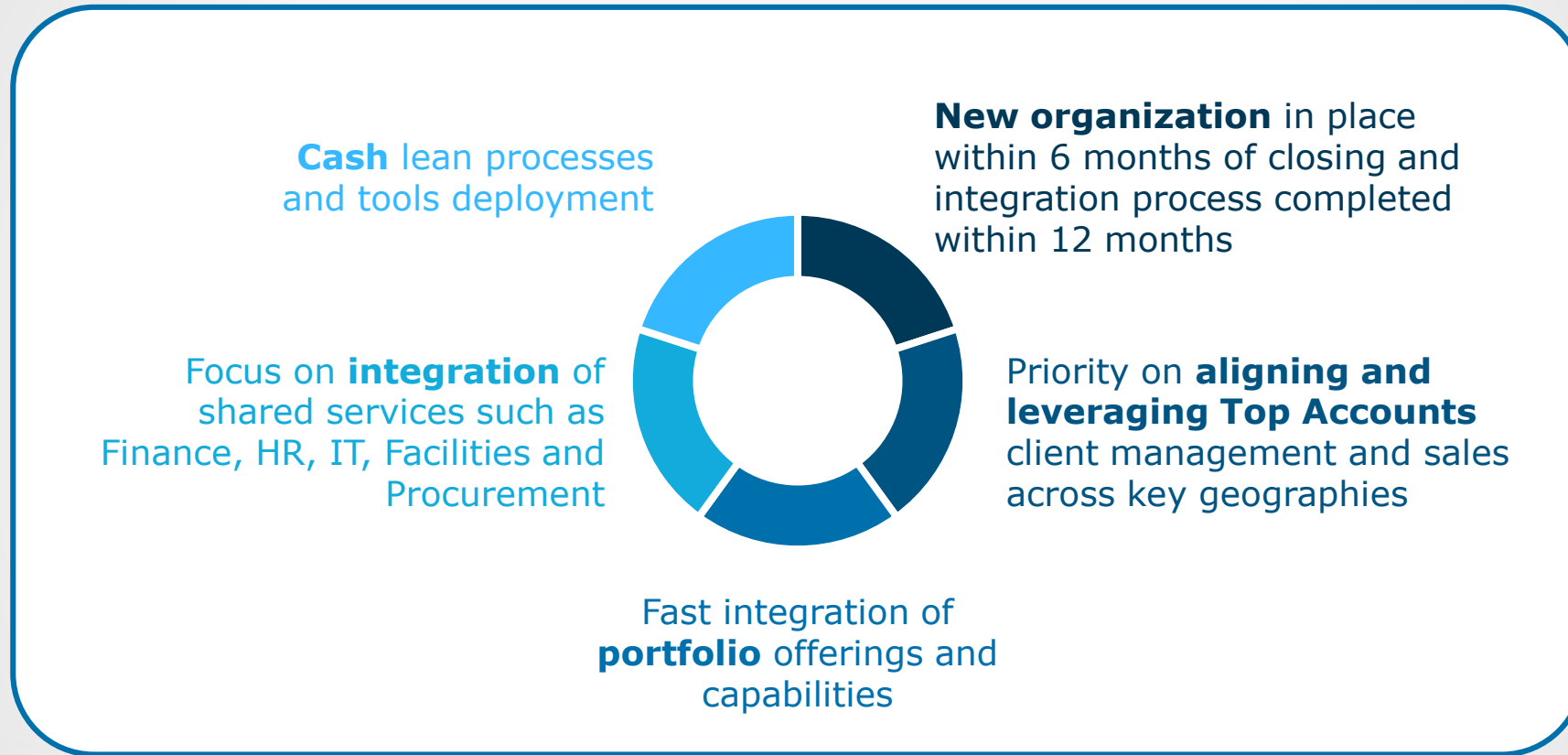


Transaction timeline





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.

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