

**GENPACT**

Genpact

2<sup>nd</sup> Quarter 2013 Earnings Presentation

August 6, 2013

Ticker (NYSE: G)

## Forward Looking Statements

These materials contain certain statements concerning our future growth prospects and forward-looking statements, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on Genpact's current expectations and beliefs, as well as a number of assumptions concerning future events. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties include but are not limited to a slowdown in the economies and sectors in which our clients operate, a slowdown in the BPM and IT Services sectors, the risks and uncertainties arising from our past and future acquisitions, our ability to manage growth, factors which may impact our cost advantage, wage increases, our ability to attract and retain skilled professionals, risks and uncertainties regarding fluctuations in our earnings, general economic conditions affecting our industry as well as other risks detailed in our reports filed with the U.S. Securities and Exchange Commission (the "SEC"), including the Company's Annual Report on Form 10-K. These filings are available at [www.sec.gov](http://www.sec.gov) or on the investor relations section of our website, [www.genpact.com](http://www.genpact.com). Genpact may from time to time make additional written and oral forward-looking statements, including statements contained in our filings with the SEC. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

## Non-GAAP Financial Measures

These materials also include measures defined by the SEC as non-GAAP financial measures. Genpact believes that these non-GAAP measures can provide useful supplemental information to investors regarding financial and business trends relating to its financial condition and results of operations when read in conjunction with the company's reported results. Reconciliations of these non-GAAP measures to GAAP are available in this presentation and in our earnings release dated August 6, 2013.

## Solid 2<sup>nd</sup> Quarter 2013

**We continue to deliver consistent growth which is a reflection of our differentiated, diversified and resilient business model**

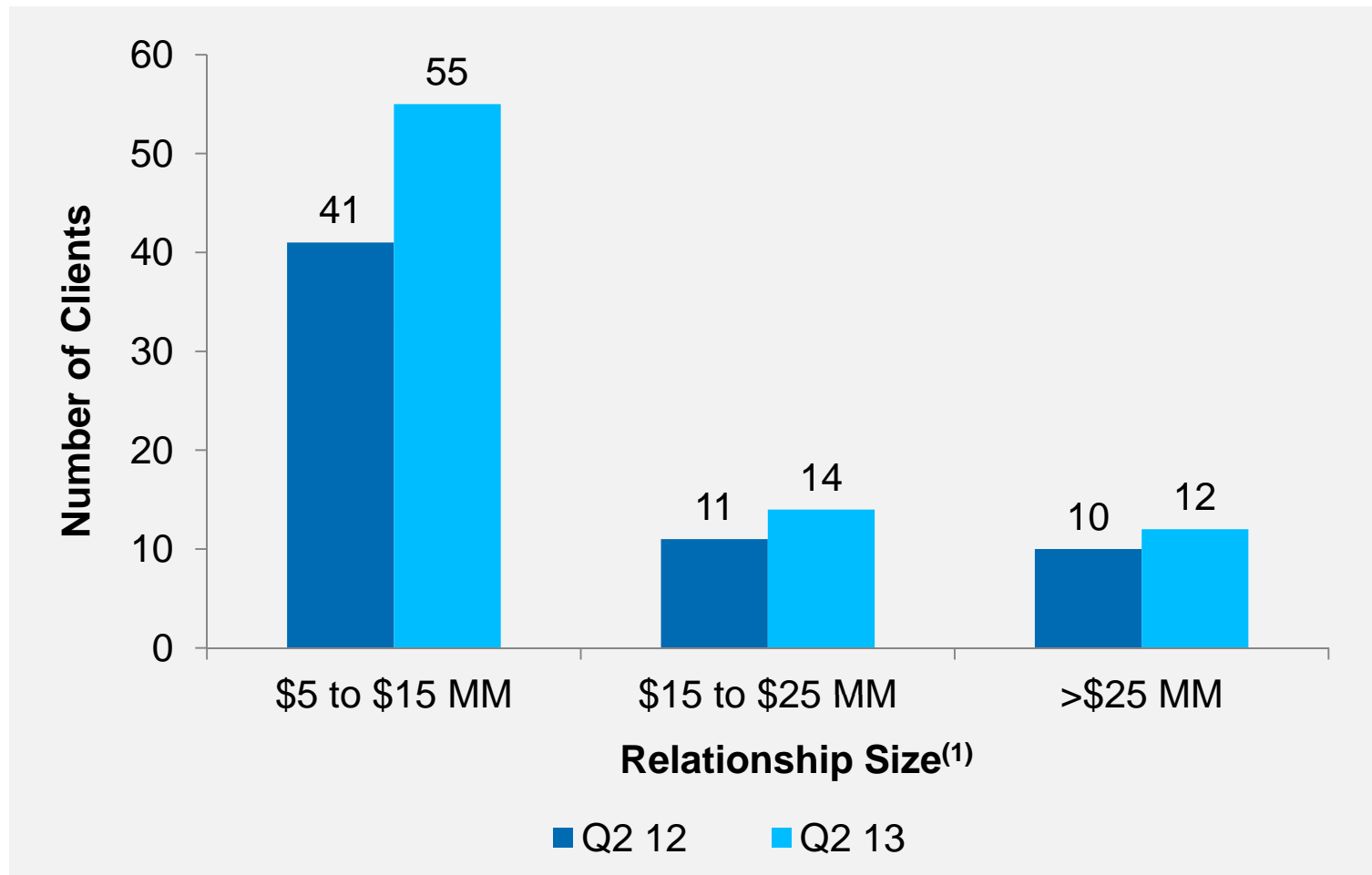
### Q2 '13 versus Q2 '12 performance:

- |  |      |
|--|------|
| ➤ Total Revenue:                             | +14% |
| ➤ Revenue from Global Clients:               | +20% |
| ➤ GE Revenue:                                | -1%  |
| ➤ Adjusted Operating Income <sup>(1)</sup> : | +15% |
- Adjusted Operating Income margin<sup>(1)</sup> of 16.7%
  - Broad-based growth across industry verticals and service offerings
  - Smart Decision Services resumed growth
  - Continued to significantly expand client relationships

#### Notes:

1) Adjusted Operating Income is a Non-GAAP Measure. GAAP Operating Income increased 23.5% and GAAP Operating Margin was 15%.

## Expanding Client Relationships



**Notes:**

1) Relationship size = Clients representing annual revenues based on rolling four quarters

## Our Strategy is Resonating With Clients

### Lead

- **Guide global enterprises to best-in-class through our proprietary SEP<sup>SM</sup> framework**
- *Example: Selected by large global industrial company to improve its aftermarket services organization and processes*

### Expand

- **Invest in targeted industry verticals and domain expertise**
- *Example: Won an ITO engagement, leveraging our deep expertise in the CPG vertical, processes and technology*

### Allocate

- **Allocate capital and resources to support sustainable, profitable growth and shareholder value**
- *Example: Integrated recent acquisition that provided deep domain expertise in the attractive, high-growth Healthcare market*

### Deliver

- **Execute seamlessly for clients across service lines and geographies**
- *Example: Engaged by large, existing Pharma client to improve end-consumer experience*

## Macro-Environment Mixed; Pipeline Healthy

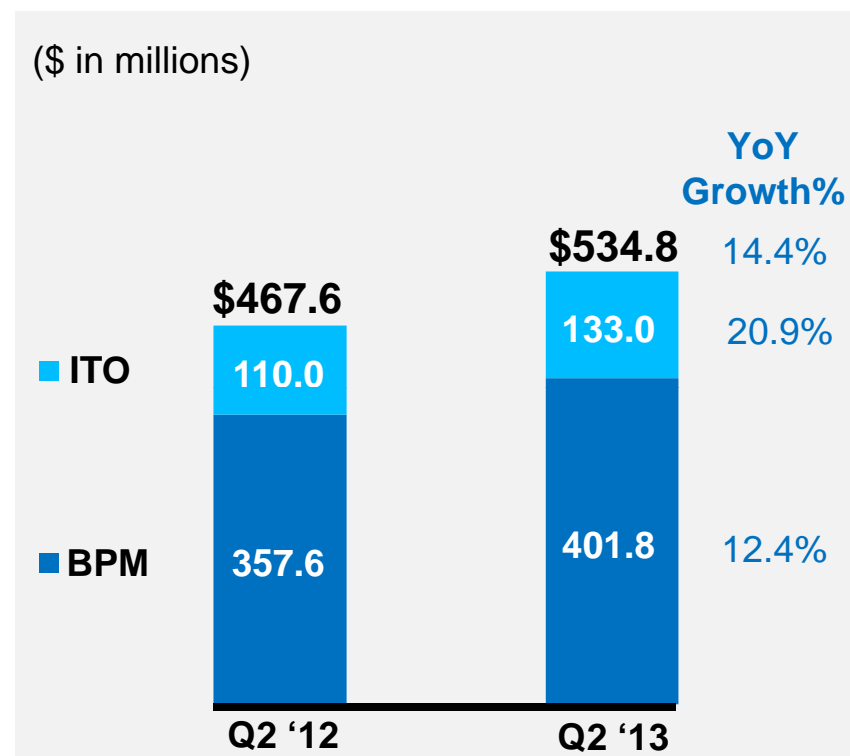
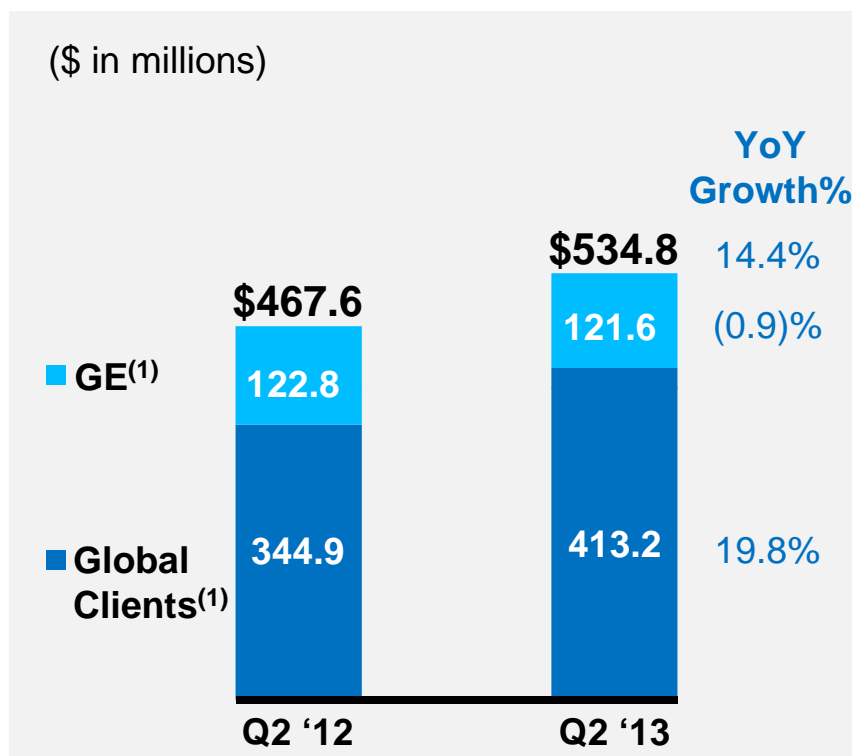
### Macro-environment continues to be mixed

- Challenges in some geographies and industries, improving in others
- Clients' continued focus on improving business models leading to more transformative discussions

### Pipeline remains healthy and stable with uptick in larger, transformative deals

- U.S. and Europe strong
- Growth across verticals led by Capital Markets, CPG, Life Sciences and BFS
- Services led by F&A, ITO and Banking Operations
- Increased share of large deals in pipeline; extends cycle times
- Win rates steady; pricing competitive but stable

## Revenue Growth of 14.4% Driven by Global Clients



- Q2 2013 Global Clients
  - Business Process Management revenues increased 18% while ITO revenues increased 25%
- Q2 2013 GE
  - Growth in ITO more than offset by decline in Business Process Management
- H1 2013 revenue at \$1.039 billion; up 15.0% year over year

**Notes:**

1) Data adjusted for divestitures from GE

## Adjusted Income From Operations Growth of 14.6%

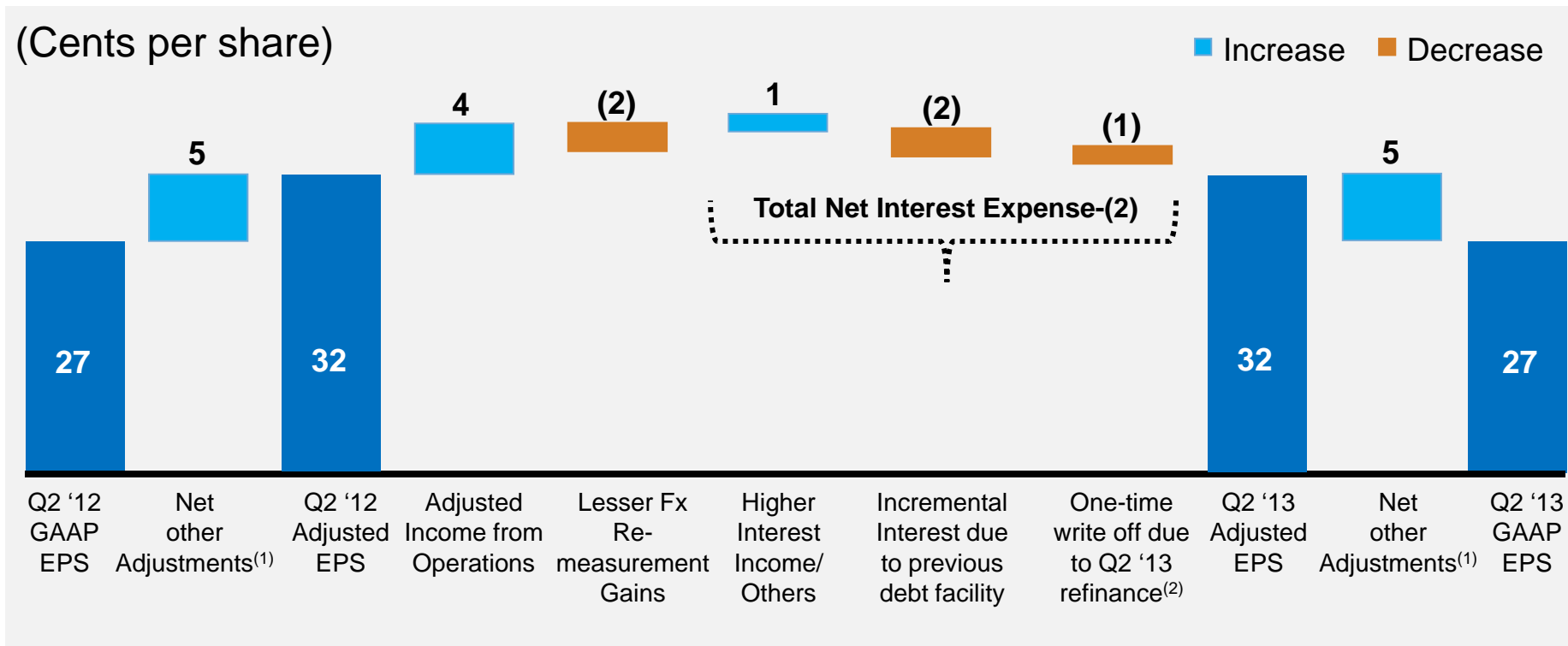
(\$ millions)	Q2 '12	Q2 '13	YoY Growth
<b>Revenue</b>	<b>\$467.6</b>	<b>\$534.8</b>	<b>14.4%</b>
<b>Cost Of Revenue</b>	<b><u>285.2</u></b>	<b><u>332.7</u></b>	<b>16.7%</b>
<b>Gross Profit</b>	<b>182.4</b>	<b>202.1</b>	<b>10.8%</b>
<i>Gross Profit % of Revenue</i>	<i>39.0%</i>	<i>37.8%</i>	<i>(120)bps</i>
<b>Selling, general and administrative expenses</b>	<b>114.3</b>	<b>118.4</b>	<b>3.6%</b>
<i>SG&amp;A % of Revenue</i>	<i>24.4%</i>	<i>22.1%</i>	<i>(230)bps</i>
<b>Adjusted Income From Operations<sup>(1)</sup></b>	<b>77.8</b>	<b>89.2</b>	<b>14.6%</b>
<i>Adjusted Income From Operations Margin %</i>	<i>16.6%</i>	<i>16.7%</i>	<i>10 bps</i>

**Notes:**

1) Adjusted Operating Income is a Non-GAAP Measure. Income from Operations was \$63.2 million in Q2 '12 and \$78.0 million in Q2 '13



# EPS Bridge

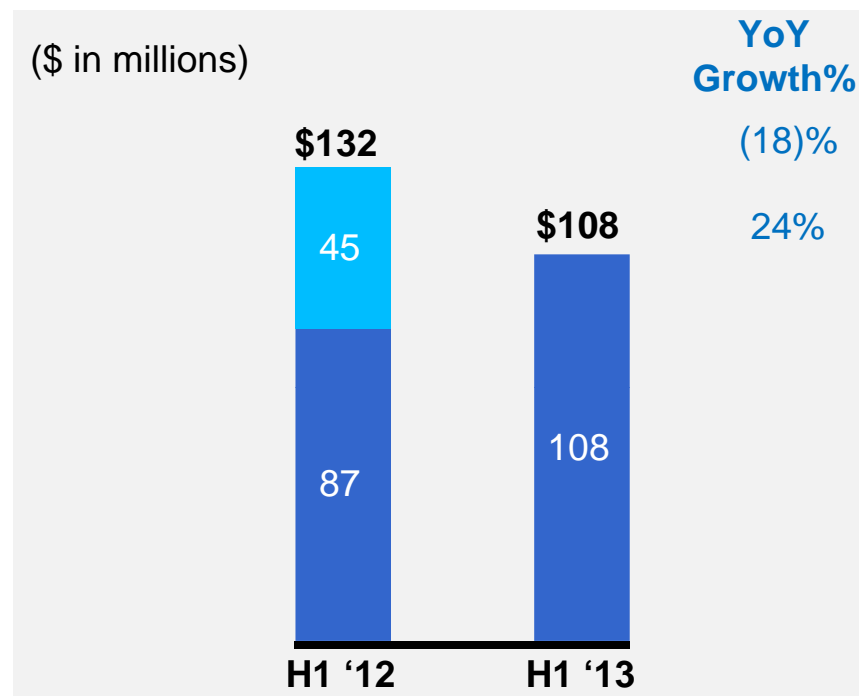
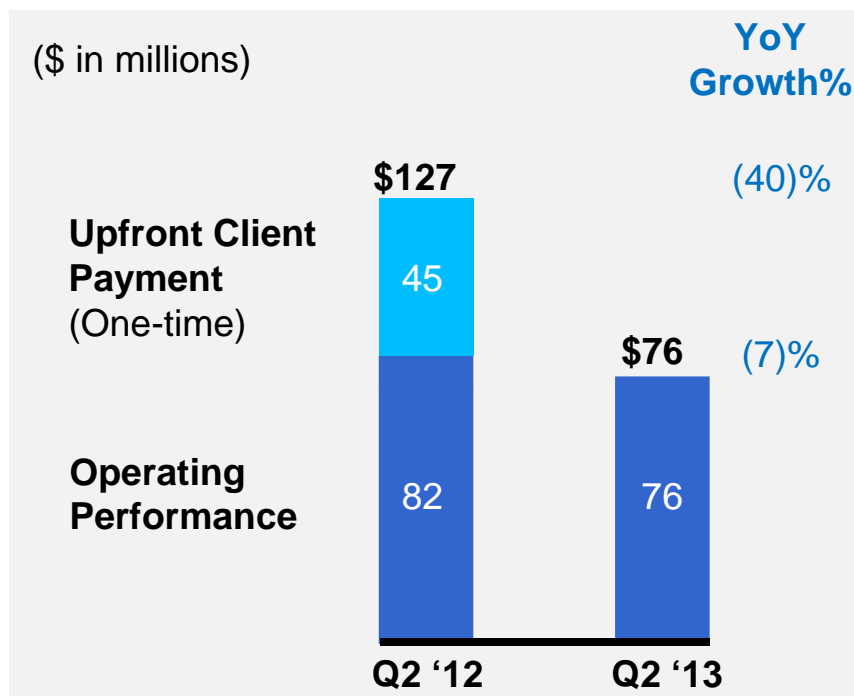


	<u>Q2 '12</u>	<u>Q2 '13</u>
<b>Adjusted Net Income (\$ millions)</b>	72.6	74.7
<b>Diluted Shares Outstanding (millions)<sup>(3)</sup></b>	228	235

**Notes:**

- The above bridge reflects only significant variance items year over year
- EPS = Diluted earnings per share
- 1) Adjustments primarily include amortization of intangibles relating to acquisitions and share-based compensation expenses
- 2) One-time write off relating to upfront fees and payment for early termination of previous debt facility
- 3) Weighted average number of diluted shares outstanding

## Strong Cash Flow From Operations



- One-time upfront client payment distorting year-over-year comparison
- Normalizing for upfront client payment, 2<sup>nd</sup> quarter 2013 cash flow from operations declined 7% due to:
  - Accelerated payments from clients in the 1<sup>st</sup> quarter 2013
  - Timing of employee bonus payments across quarter-end

	<u>Q2 '12</u>	<u>Q2 '13</u>
<b>Days Sales Outstanding</b>	82	80
<b>Cash and Liquid Assets (\$ millions)<sup>(1)</sup></b>	442	536

**Notes:**

1) Cash and Liquid Assets = Cash and Cash equivalents and short-term deposits

## Genpact Helps Clients Navigate Change

### Our focus:

- Build on strong position in large, under-penetrated target markets
- Refine and consistently implement our growth strategy
- Differentiate our capabilities and expertise in our targeted vertical markets
- Deliver clear measurable business impact for clients

## Annexure 1: Reconciliation of Adjusted Income from Operations

(USD, In Thousands)	Three months ended June 30	
	2012	2013
Income from operations as per GAAP	\$ 63,167	\$ 77,988
Add: Amortization of acquired intangible assets resulting from Formation Accounting	1,755	767
Add: Amortization of acquired intangible assets relating to acquisitions	2,627	4,087
Add: Consultancy and legal fees relating to change of shareholding and capital restructuring	1,687	-
Add: Stock based compensation	9,980	10,093
Less: Provision for loss on divestitures	0	(2,945)
Add: Other income (expense)	322	709
Less: Equity-method investment activity, net	(13)	63
Less: Net income attributable to noncontrolling interest	(1,699)	(1,586)
<b>Adjusted income from operations</b>	<b>\$ 77,826</b>	<b>\$ 89,176</b>

## Annexure 2: Reconciliation of Adjusted Net Income

(USD, In Thousands, except per share data)	Three months ended June 30	
	2012	2013
Net income as per GAAP	\$ 61,100	\$ 63,876
Add: Amortization of acquired intangible assets resulting from Formation Accounting	1,755	767
Add: Amortization of acquired intangible assets relating to acquisitions	2,627	4,087
Add: Consultancy and legal fees relating to change of shareholding and capital restructuring	1,687	-
Add: Stock based compensation	9,980	10,093
Less: Tax impact on amortization of acquired intangibles resulting from Formation Accounting	(366)	(158)
Less: Tax impact on amortization of acquired intangibles relating from acquisitions	(902)	(1,394)
Less: Tax Impact on stock based compensation	(3,059)	(2,605)
Less: Tax impact on consultancy and legal fees relating to change of shareholding and capital restructuring	(182)	-
<b>Adjusted net income</b>	<b>\$ 72,640</b>	<b>\$ 74,666</b>
Adjusted diluted earnings per share	\$ 0.32	\$ 0.32

**GENPACT**

**Thank You**