Our Mission: Enabling transformation
Our Vision: Enabling freedom

- Revenue (2013): €10,1bn
- Employees: 140,000+

Capgemini enables its clients to transform and perform through technologies
Capgemini will lead the way by providing clients with insights and capabilities
that boost their freedom to achieve superior results

6 major Global Sectors
- Utilities
- Telecom
- Consumer Products & Retail
- Financial Services
- Public Sector
- Automotive

A wide range of solutions and services

Some Global Service Lines
- Testing Services
  Performance Driven.
  Quality Assured
- Business Information Management (BIM)
  Better intelligence, smarter decisions
- Mobile Services
  Your business. Always on.
- Digital Customer Experience
  Digital. Two steps ahead

*Rightshoreshot is a trademark belonging to Capgemini
Defining Digital Maturity - Four Levels of Digital Maturity

**Fashionistas**
- Many advanced digital features (such as social, mobile) in silos
- No overarching vision
- Underdeveloped coordination
- Digital culture may exist in silos

**Beginners**
- Management skeptical of the business value of advanced digital technologies
- May be carrying out some experiments
- Immature digital culture

**Digital Masters**
- Strong overarching digital vision
- Good governance
- Many digital initiatives generating business value in measurable ways
- Strong digital culture

**Conservatives**
- Overarching digital vision exists, but may be underdeveloped
- Few advanced digital features, but traditional capabilities may be
- Strong governance across silos
- Taking active steps to build digital skills and culture
Digital maturity varies widely*

* Digital maturity of 391 companies in our sample
Digitally-mature companies have significantly better financial performance

**Cost Effectiveness**

-11%  
+26%

-24%  
+9%

**Market Valuation**

-12%  
+12%

-7%  
+7%
Some industries are more mature than others…

* Average maturity of industries for which we received at least 20 survey responses
A case for change
The Case to Transform Now

1. New and deep-pocketed players are entering the industry

- Google, Amazon, Apple, Comcast and Wal-Mart – are entering the industry and offering an array of consumer products that integrate electricity, security, and networking.

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Google Acquires Smart Thermostat Maker Nest for $3.2 Billion.

– Forbes

Samsung Buys Into Home Automation with SmartThings Acquisition.

– Time
The Case to Transform Now

2 Technology advancements and better pricing for solar panels

- 50% of utility customers are considering solar power and estimates have solar panel installations 5 year CAGR of 600%.
- The prices of the panels have plunged 70 percent in the past five years.
Battery Technologies and Mega Factories

- Battery technology advancement and massive factories will dramatically reduce the cost to store energy for the home.
- Tesla is building a Mega factory that will reduce the price on lithium ion batteries by 40%.

"Nevada Selected As Official Site for Tesla Battery Gigafactory"
– Thursday, September 4, 2014
Tesla
The Case to Transform Now

We are in a customer driven world

- Customers will become disruptive. Customers want more.

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Unaware

- Low energy lighting
- Efficient heating
- Insulation
- Supplier comparison
- Self service

Aware

Active Involved

- Energy conversation programs
- Smart meters
- Energy management tools

Interactive involved

- Customer analytics
- Consumer – Prosumer
A time to act and how!
Utilities have to adapt to their new environment and client’s

• For residential or commercial customers, electricity and gas have become commodities; customers now expect services from its supplier, including energy management

• In some countries, customer satisfaction felt to the lowest level ever (e.g. 53% in the UK in 2014 vs. 78% in 2013)

• Consumers have also become producers on the basis of solar and wind energy that are decentralized and intermittent (around 6.35 million prosumers in Germany)

• Some communities wish to manage their own energy and even become self-sufficient (smart cities) by combining decentralized generation, energy savings, new devices as smart meters and up-to-date information and communication technologies. They represent a threat for Utilities but also open new opportunities

• In this medium term vision, a clear move to services with new value-added segments appear:
  – Distributed generation, local energy balance
  – Curtailment – flexibility
  – Energy storage offerings
  – Construction and management of charging infrastructures for electric vehicles

Digital technologies are key changes enablers
Smart grids are creating a new operational models

- With a growing share of renewables in the electricity generation (that are decentralized and intermittent), grid management will have to become smarter with a dual flow of electrons and Megabytes on the grid.

- The exchange of information by digital means will profoundly change the operation and maintenance of the network business (remote meter reading, maintenance workers equipped with mobile devices,...)
Use analytics to take advantage of smart meters

In France:

- **July 2013:** decision to deploy **electrical smart meters** (cost estimated between €5 and 7 billion for the 35 million meters) with a first phase of 3 million meters to be installed by 2016 / Linky project.
- **August 2013:** decision to deploy the **11 million gas smart meters** on the 2016-2022 period / Gazpar project.
- **August 2014:** supplier’s selection by EDF.

Smart meter’s management will provide Utilities with a detailed client knowledge.

**Source:** European Commission – Capgemini analysis, EEMO16.
The move to services has already begun, Utilities need to enter customers homes

- Utilities propose diversified services to their residential and commercial customers:
  - Energy diagnosis
  - Building insulation improvement
  - Installation of energy management systems, ...

- For some Utilities, the services business represent a significant proportion of their workforce (78,000 employees at GDF Suez on a total workforce of 138,000 employees)

- Other Utilities increase their presence through acquisitions, for example, end-2013, EDF and Veolia agreed to transfer Dalkia France to EDF (13,000 employees)

- And other Utilities use new technologies such as connected objects:
  - British Gas (UK) has recently launched a service called « Hive Active Heating » enabling its customers to control remotely their heating and hot water production. Potential savings would amount to £150/year and per household
  - Oxxio, the low-cost brand of Eneco (the Netherlands) offers a tablet to any customer signing up to its InControl offer

The service business is not consuming capital and the market is growing. However barriers to entry are low, competition is strong and margins are not high. New players from outside the Utilities sector are entering this market
How can you bring value?
Start having new conversations.....

How will I lower costs in my retail operations and increase my customer satisfaction at the same time?

We can use our DCX full transformation offer (including SMAC) or DUCO! We can even create a full digital low cost retailer for you!

How about differentiating energy services?

Capgemini’s HEMS and ECS offers will let you design, build and operate Energy services by:
- Fulfilling energy efficiency obligations
- Optimizing home and building energy management (Energy Services “in a box”)
- Maximizing the possibilities provided by the Internet of everything

We also need to find a way to leverage our assets to better manage them...

Our DiALM transformation offer and Analytics services are what you need! They can also help reduce your investments

And how will I improve my revenue protection and management, including for my non-technical losses?

We can use our classic BPO approach along with Analytics to capitalize on customer knowledge for up-sell and cross-selling purposes

Let’s move to our IT problems. We need to reduce our IT TCO!

We need to apply Lean IT principles here. Capgemini’s Infrastructure Services, AM and Run-Build-Run offer address those issues!
About Capgemini

With almost 140,000 people in over 40 countries, Capgemini is one of the world’s foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at www.capgemini.com