



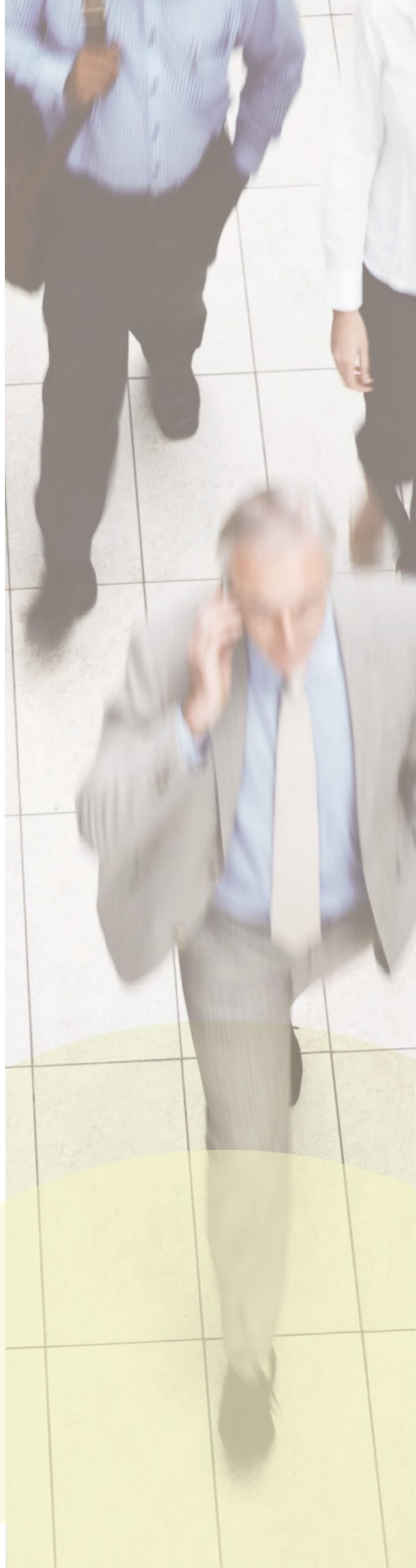
CSC

Quarterly Update Report Abstract

August 2016

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NelsonHall

9 pages





Who Is This Quarterly Update For?

NelsonHall's Quarterly Update on CSC provides a snapshot of developments at the company in the last quarter. It accompanies NelsonHall's more comprehensive Key Vendor Assessment program.

Both programs are designed for:

- Marketing, sales and business managers developing strategies to target service opportunities within the BPO/IT Services markets
- Sourcing managers monitoring the capabilities of existing suppliers of IT and BPO services and identifying vendor suitability for these services
- Consultants advising clients on vendor selection
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the BPO/IT services sector.



Highlights

- M&A Activity Continues: Finalization of Xchanging, Announcement of Merger with HP ES. The quarter was dominated by the announcement in May of the intended merger with HPE Services, with CSC taking effective control of HPE ES with effect from April 1, 2017. The combined company will have Year 1 revenues of ~\$26bn (of which ~\$18bn ex HPE ES).
- Q1 FY17 Performance: acquisition-driven topline growth. Q1 FY17 saw the first quarter of reported revenue growth since March 2014. The growth was acquisition-driven; organic revenue decline continues, albeit at a slower pace
- Sales efforts: highlights improving large deal pursuits; adapting sales model for smaller standardized offerings. Major BPS insurance deal agreed in U.S., will be signed in Q2
- Gap between legacy and "next generation" revenues have narrowed considerably following recent acquisitions

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M&A and Investments

New Partnerships and Offerings

Recent Contracts

Immediate Challenges

Appendix A: Financials

Appendix B: Bookings

Scope of the Report

The report provides a quarterly update on CSC, looking at financial performance and key developments during the period.

Report Length

9 pages

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