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Capgemini buys US co LiquidHub for \$500m, ChrysCap exits with 4X gain

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BENGALURU: French IT services giant Capgemini has acquired digital customer engagement firm LiquidHub for \$500 million (400 million euros), gaining fresh ammunition to accelerate its consulting capabilities in North America. The transaction provides India's oldest private equity investor ChrysCapital, which owned around 44.5% stake in LiquidHub, a blockbuster exit with fourfold gain.

Capgemini is learnt to have snagged the deal from other potential suitors like Cognizant and HCL Technologies after LiquidHub decided on a sale to strategic buyers, and not financial investors. LiquidHub, which combines design and technology to offer an enhanced customer engagement, counts Wells Fargo, Bear Sterns and Standard Chartered Bank among its clients. This marks Capgemini's third large acquisition with

a big Indian footprint. It had earlier acquired Kanbay for \$1.2 billion and iGate Corp for \$4 billion.

Headquartered in Philadelphia, LiquidHub has around 200 million euros in revenue that aligns with Capgemini's growth plans of focusing on digital and cloud in North America. It has a large backend support team based out of India. In August last year, TOI first reported that LiquidHub was in sale talks with multiple suitors including Capgemini and Cognizant.

"This is a landmark exit for ChrysCapital in a path-breaking US-India corridor control transaction. ChrysCapital collectively shaped LiquidHub's strategy, M&A activity and transformation to become a leading digital integrator which finally resulted in a 4X return (in US dollar terms) in four years. With this, ChrysCapital has completed 65 exits and continues to build on its

leadership position in the private equity industry,” ChrysCapital partner Sanjay Kukreja told TOI. ChrysCapital had invested more than \$50 million in LiquidHub.

Capgemini said it paid two times revenues for the acquisition that demonstrates the ability of the group to execute “its stated objective of targeted bolt-on acquisitions contributing up to 2% of incremental revenue, while allocating around 50% of its free cash-flow generation to acquisitions”.

Capgemini Group chairman and CEO Paul Hermelin said, “LiquidHub’s passion to help clients was a natural fit with the end-to-end digital services that Capgemini provides enterprises around the world.”