

ExlService Holdings - Bringing iMerit into EXL's AI Platform

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Case version: Final v1, 3 October 2026

Decision scope: First-year operating and go-to-market sequencing after the iMerit acquisition

Case convention: This is a hypothetical classroom recommendation exercise. EXL disclosed the acquisition, its platform-integration direction and leadership arrangement, but not the internal alternatives or decision described here.

The assignment

ExlService Holdings (EXL) completed its acquisition of iMerit on August 3, 2026. EXL had announced that it would integrate iMerit's Ango platform with EXLerate.ai, EXLdata.ai and EXLdecision.ai. iMerit's founder and chief executive, Radha Ramaswami Basu, became an EXL executive vice president, Head of iMerit and a member of EXL's executive committee. [P2], [P4]

For this classroom exercise, assume EXL's leadership asks you to recommend how to sequence operating and commercial work during the first year after closing. Choose which customer/use-case path should be emphasized first while carrying out the announced platform integration:

1. **Regulated-enterprise first:** Emphasize selected EXL relationships in insurance, healthcare and banking, using iMerit-described evaluation and specialist capabilities to support those workflows.
2. **iMerit capability-led:** Preserve iMerit's distinct customer-facing model and expertise while completing the announced platform integration; emphasize frontier-AI, high-tech, mobility, autonomous-system and robotics opportunities, with selective EXL channel support.
3. **Staged dual track:** Test a limited set of opportunities in both paths, then expand only when evidence supports interoperability, quality, customer acceptance and delivery readiness.

These alternatives are classroom constructs, not options EXL publicly disclosed. No public source identifies a fixed integration budget, staffing conflict, actual pilot list, market-specific margin, customer overlap or comparative return. You are choosing a sequencing policy, not assuming resources are scarce or that management held a particular vote.

Submit a two-page recommendation that names a first-year emphasis, explains the strongest case against it, identifies evidence needed before wider rollout, and states what would cause you to change course. Do not estimate ROI from the public figures in this case.

Two businesses, one announced direction

EXL describes itself as a global data and AI company serving sectors including insurance, healthcare and life sciences, banking and capital markets, retail, communications and media, and energy and infrastructure. The company reported four segments: Insurance; Healthcare and Life Sciences; Banking, Capital Markets and Diversified Industries; and International Growth Markets. [P1], [P3]

iMerit describes its services as AI model training, evaluation and reinforcement learning. Its materials describe Ango/Ango Hub for data interaction and multimodal evaluation, and Scholars, a network of specialists including physicians, scientists, engineers and linguists. EXL said the acquisition would add these capabilities, expand its reach into high-tech and physical-AI sectors, and help combine expert feedback, evaluation and enterprise execution. Those are company descriptions and stated rationale, not independently verified outcomes. [P2], [P4]

The acquisition announcement committed EXL to integrate Ango with the named EXL platforms. It did not give an integration timetable, technical design, budget, target customer list or performance milestones. The August 3 release confirmed closing and Basu's role; it did not report post-close results or an operating roadmap. [P2], [P4]

What is known about the transaction

EXL announced the agreement on June 24. The announced consideration was “up to” \$310 million: \$170 million upfront, subject to closing adjustments, plus up to \$140 million in incentives and earnouts over two years contingent on specified milestones. The Form 10-Q filed July 28 still described closing as expected July 31 and subject to conditions; EXL's August 3 release later confirmed completion. The maximum transaction consideration is not an integration budget, fixed payment, iMerit revenue or return estimate. [P1], [P2], [P4]

EXL's reported position before closing

EXL reported second-quarter 2026 revenue of \$594.8 million, up 15.6% year over year on a reported basis and 15.9% on a constant-currency basis. GAAP diluted EPS was \$0.42; adjusted non-GAAP diluted EPS was \$0.59. The quarter ended June 30, before iMerit closed. [P3]

EXL reportable segment	Q2 2026 revenue (\$m)	Gross margin
Insurance	197.8	34.6%
Healthcare and Life Sciences	158.0	46.9%
Banking, Capital Markets and Diversified Industries	133.9	34.8%
International Growth Markets	105.1	35.1%
Total	594.8	38.0%

Source: EXL's July 28 results release. These are company reportable-segment figures, not economics for the classroom paths or iMerit results. Adjusted measures are non-GAAP; reported and constant-currency growth use different bases. [P3]

EXL's pre-close full-year guidance included \$28-32 million of anticipated iMerit revenue and projected \$2.390-\$2.415 billion in total revenue. That forecast preceded closing; it is not

reported post-close contribution or iMerit standalone revenue. The filing also states that no customer exceeded 10% of EXL revenue and warns that losing any of its top ten customers could materially affect performance. [P1], [P3]

Market context: selected company statements

Two dated examples show how other providers describe adjacent offers. They are not a market survey or like-for-like performance comparison.

Provider and date	Publicly described offer	Boundary
Genpact, July 23, 2026	Its first Banking Analyst Suite module was generally available for AML alert investigations; the release says analysts retain final decisions and the system does not take regulated action without human approval. Genpact advertised up to 80% lower handling time and up to 40% lower total cost of ownership for in-scope investigations. [M1]	The efficiency figures are Genpact's estimates and vary by client environment, operating model, data and scope. They are not independently verified or comparable to EXL/iMerit.
Scale AI, June 29, 2026	Scale described task-, dataset- and contributor-level quality processes combining automation with human experts for data and evaluation work with frontier labs. It said labs accepted 97% of its data on first pass. [M2]	This is Scale's self-reported claim; no denominator or customer breakdown is supplied. It says nothing about iMerit's quality or relative performance.

Questions for your recommendation

1. Which path should EXL emphasize during the first year, and what should remain integrated versus operationally distinct?
2. What customer, technical and delivery evidence would justify expanding beyond the initial emphasis?
3. How would you protect continuity for EXL customers and iMerit specialists during execution?
4. What facts would you request before concluding that cross-selling, platform integration or a market path creates economic value?
5. What is the strongest objection to your recommendation, and what evidence would change your mind?

Sources

- **[P1]** ExlService Holdings, Inc., Form 10-Q for quarter ended June 30, 2026, filed July 28, accession 0001297989-26-000023. **SEC filing**. Acquisition terms/status then expected: Note 10, printed p.18 / HTML lines 879-897; customer risk: printed p.15 / lines 749-751; company/segment description: MD&A printed p.39 / lines 1817-25.
- **[P2]** EXL, “EXL to acquire iMerit,” June 24, 2026. **Issuer release**, lines 55-71 and 81-89.
- **[P3]** EXL, “EXL Reports 2026 Second Quarter Results,” July 28, 2026. **Issuer release**, lines 56-90 and 101-109.
- **[P4]** EXL, “EXL completes acquisition of iMerit,” August 3, 2026. **Issuer release**, lines 51-80.
- **[M1]** Genpact, “Genpact Launches Banking Analyst Suite,” July 23, 2026. **Company release**, lines 126-153. Statements and estimated outcomes are attributed to Genpact.
- **[M2]** Scale AI, “How We Engineer World-Class Data at Scale,” June 29, 2026. **Company post**, lines 5-14, 17-27 and 30-56. Statements and performance claims are attributed to Scale.

Information boundary: Only cited written material publicly available by August 3, 2026, 11:59 p.m. ET is included. The June 24 deal terms and July 28 Q2 figures predate closing; the August 3 release confirms the close. No call remarks, later financing, later investor presentations or later operating results are part of the case.