

Press release

March 22, 2019

Transcom comments on Moody's downgrade

Moody's Investors Service (Moody's) has downgraded Transcom Holding AB's corporate family rating (CFR) to B3 from B2 and probability of default rating (PDR) to B3-PD from B2-PD. The outlook on the ratings is stable. Moody's rating rationale is mainly driven by a larger than expected revenue decline and higher than projected operational restructuring charges, and Transcom's liquidity position being negatively impacted by restructuring charges, working capital, and acquisitions.

While the downgrade is disappointing, Moody's points out the mitigating effects of Transcom's strong European position, its good track record in delivering costs savings, the global footprint with offshore and Nearshore abilities to serve international contracts, and the portfolio of long-standing blue-chip customers, as well as the positive trends for the European CRM industry.

Moody's also notes factors that could lead to an upgrade; that Transcom returns to sustainable revenue growth over an extended period of time while enhancing its customer and sector diversification, that the company improves its Moody's adjusted EBITA margins, that the adjusted gross leverage falls on a sustainable basis, and that the liquidity position remains adequate.

"While disappointed with Moody's decision at this stage, we fully agree with what they consider mitigating factors. We agree that leaving unprofitable contracts and streamlining the organization has resulted in declining topline and increasing extraordinary cost. However we can already see in Q4 2018 that these investments pay off and we are certain that the continuation of this trend combined with successful M&A transactions will further improve Transcom's performance. On that basis we are looking forward to improve the rating in 2019", says Michael Weinreich, President & CEO Transcom.

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About Transcom

Transcom is a global customer experience specialist, providing customer care, sales, technical support and credit management services through our extensive network of contact centers and work-at-home agents. We are 29,000 customer experience specialists at 50 contact centers across 21 countries, delivering services in 33 languages to international brands in various industry verticals.

This information is information that Transcom Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 CET on March 22, 2019.