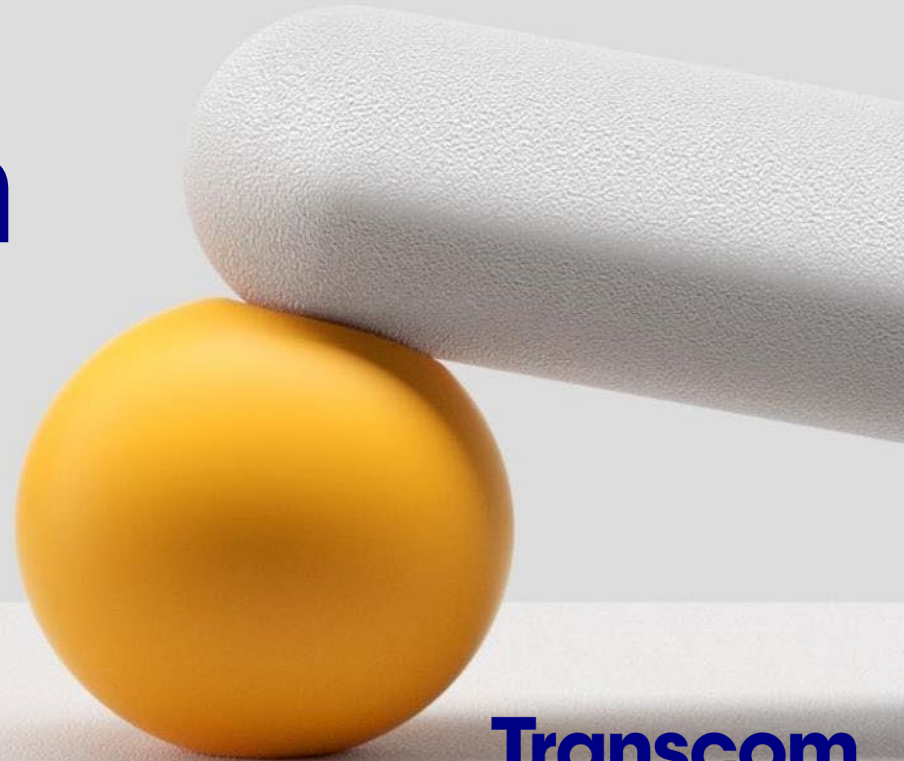


August 27, 2019

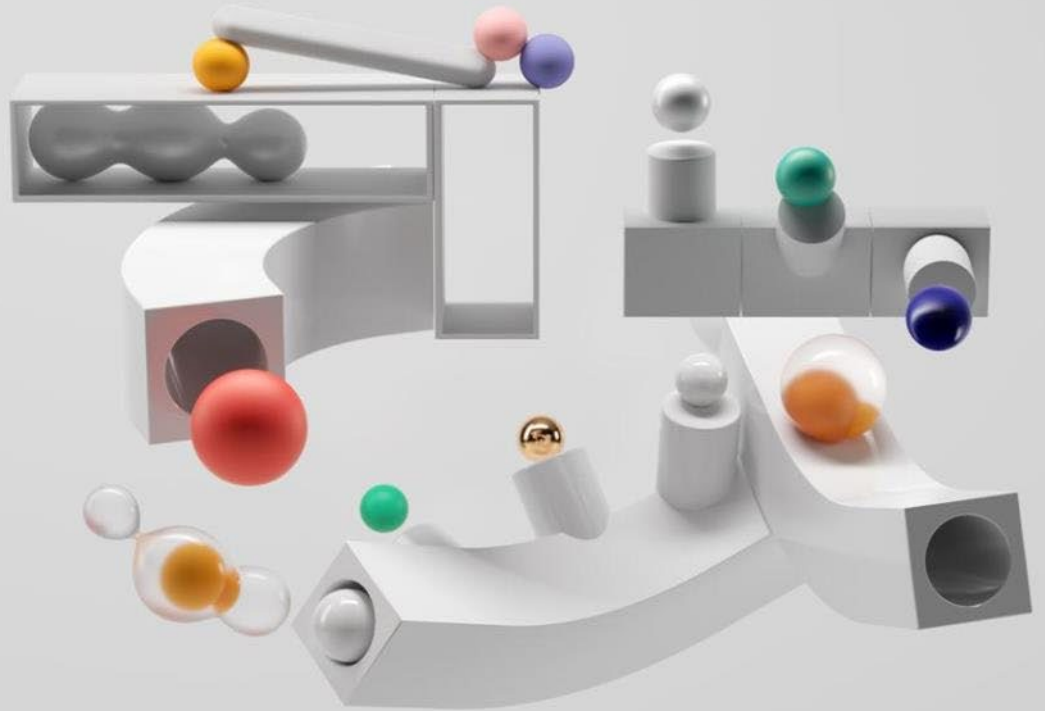
# Q2 2019 Presentation



**Transcom**

# Agenda

- Presenters
- Company overview
- Financial performance
- Summary



## Today's presenters



**Michael Weinreich**  
Chief Executive Officer

Transcom since September 2017

Previous roles:  
VC Partner, FinLeap (2016 – 2017)  
CEO, Arvato Financial Services (2009 – 2016)

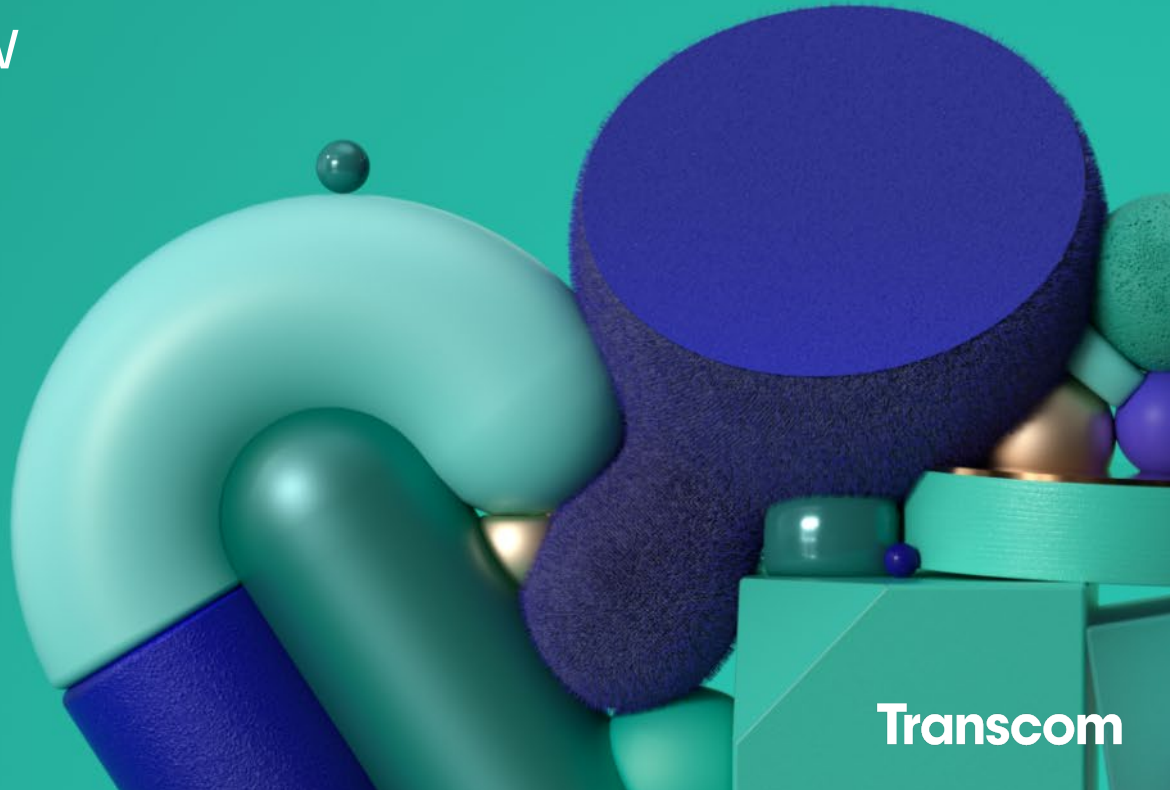


**Jonas Dahlberg**  
Chief Financial Officer

Transcom since June 2019

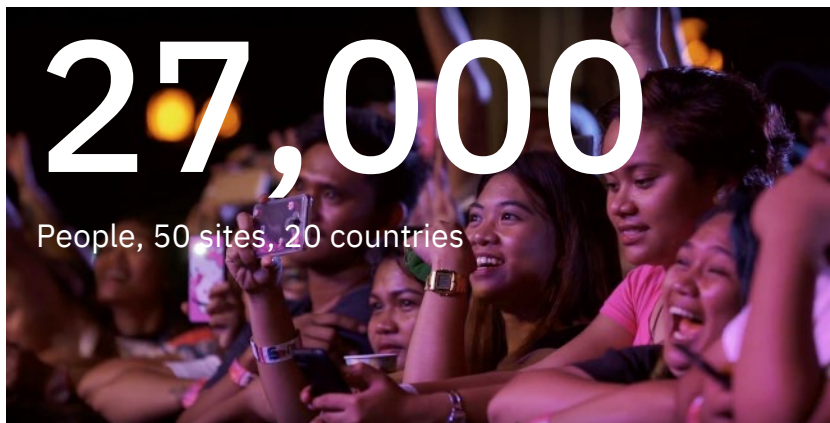
Previous roles:  
CFO, Sweco Group (2012 – 2019)  
President, Sweco Russia (2008 – 2012)  
Associate Principal, McKinsey (1998 – 2008)

# Company overview



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## About us



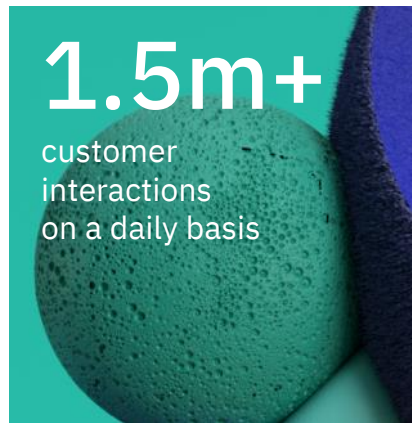
**27,000**  
People, 50 sites, 20 countries



**546€M**  
2019LTM sales

**2017**  
Privately owned  
since 2017 with  
Altor as majority  
owner

**33**  
Languages spoken

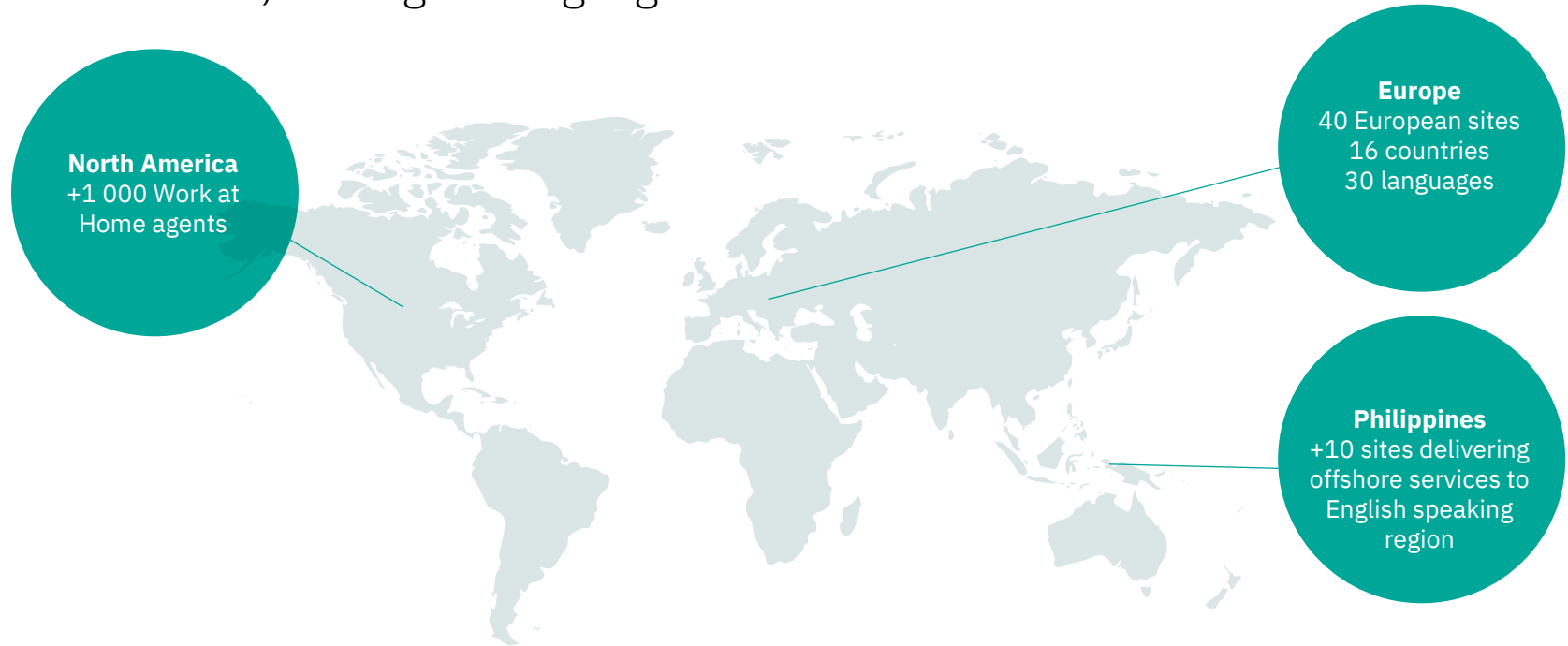


**1.5m+**  
customer  
interactions  
on a daily basis

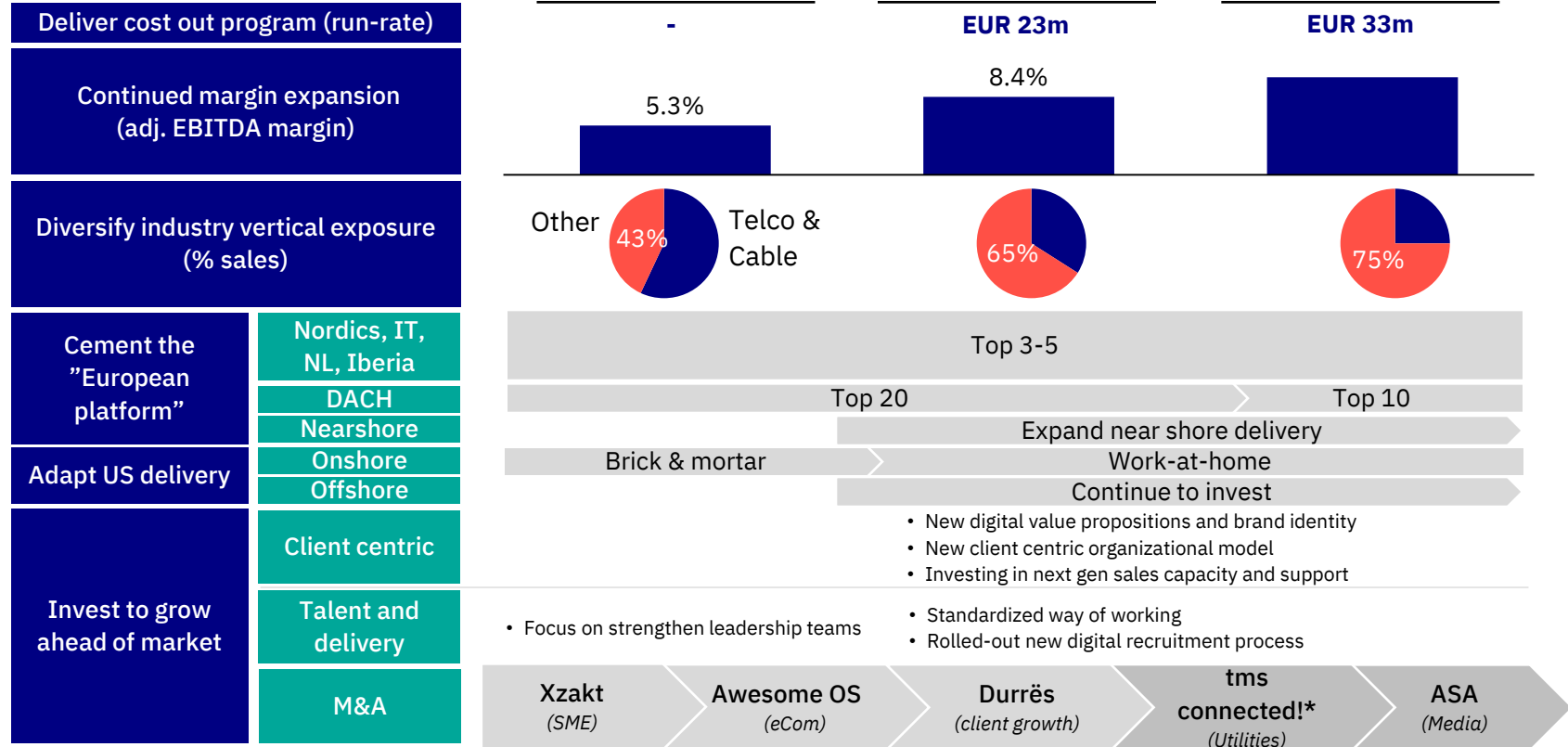
**200+**  
International clients

## Global presence

20 countries, serving 33 languages in 50 sites



# Overview of strategic priorities and development



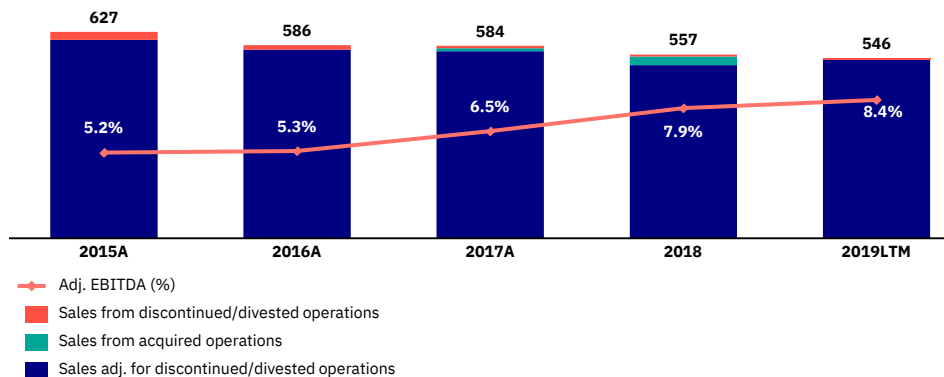
# Key Highlights Second Quarter 2019

<b>Transformation process well under way</b>	<ul style="list-style-type: none"><li>• Cost reductions realized in line with People, Passion, Performance program</li><li>• Shared services center expanded to Porto</li><li>• Restructuring of Spanish operations</li></ul>
<b>Strengthened organization</b>	<ul style="list-style-type: none"><li>• Acquisition of Asa Informationsdienste integrated</li><li>• Transcom NA certified COPC Customer Experience Standard for Work-From-Home Technical Support</li><li>• 2019 Platinum Contact Center Award for Best Employee Experience Strategy</li></ul>
<b>Increased focus on innovation</b>	<ul style="list-style-type: none"><li>• Doubled the the volume of automated processes for clients – 120 robots going for 20 clients</li><li>• T:Insights analytics platform and T:Buddy agent engagement platforms launched</li><li>• Awarded Best Cloud Implementation by NICE Nexidia for conversational analytics outbound project</li></ul>
<b>Organic growth to support strategy</b>	<ul style="list-style-type: none"><li>• Acquisition of Awesome continues to deliver – Strong double digit organic growth – Awesome Europe first client successfully launched from Belgrade</li><li>• New clients in profitable and high growth segments – Retail/ecommerce, financial services, logistics, and energy/utilities</li><li>• Continued investments in offshore and nearshore capabilities – Expansion of site in Elblag, Tunis</li></ul>



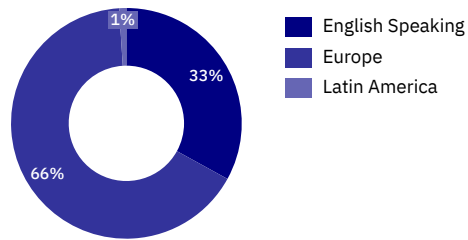
# Key financials

## Key financials<sup>1)</sup>

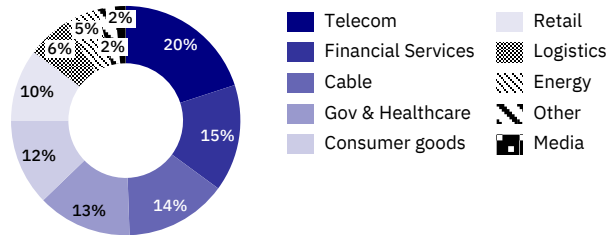


## Sales breakdown Q2 LTM 2019

### Sales by segment



### Sales by client vertical



Note: 2015–2016 figures represents consolidated TWW accounts adjusted for EO items and D&A, FY 2017 is consolidated at Issuer level, adjusted for EO items and D&A and full year adjusted for the acquisitions of TWW group and Xzakt group. 2018 is adjusted for full effect of the acquisition of Awesome group. 2019LTM includes Latin America until Feb 2019 (3.6M Sales and -0.4M EBITDA). Group total sales growth adjusted for discontinued/divested operations, Adj. EBITDA margin calculated as Adj. EBITDA/Total sales.



Financial performance

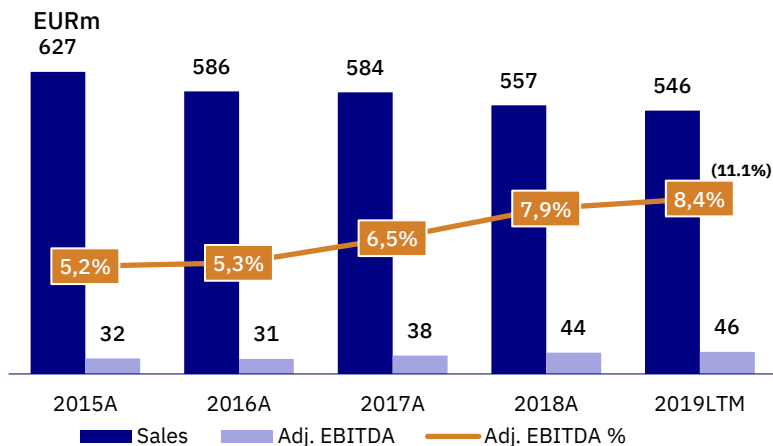
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## Solid improvement of financials

- Improved EBITA: Q2 EBITA ex EO
  - 7.8 MEUR, +2.7 MEUR
  - 5.8%, +1.9 pp
- Significantly lower EO items: Q2 -3.1 MEUR (-21.0)
- Improved operating cash flow: H1 17.7 MEUR (2.7)

# Continued improvement of profitability

## Sales and EBITDA development <sup>2)</sup>



## Summary of historical P&L

EURm	2015	2016	2017	2018	2019 LTM	2018 H1	2019 H1	2018 Q2	2019 Q2
Sales	626.5	586.1	584.0	557.2	546.3	281.6	270.7	135.2	134.0
Cost of sales	-492.7	-458.7	-456.3	-424.3	-411.0	-216.9	-203.6	-104.7	-101.5
D&A <sup>1)</sup>	-8.9	-8.0	-8.2	-8.5	-8.9	-4.2	-4.6	-2.0	-2.4
<b>Gross profit</b>	<b>125.0</b>	<b>119.4</b>	<b>119.5</b>	<b>124.3</b>	<b>126.5</b>	<b>60.5</b>	<b>62.5</b>	<b>28.5</b>	<b>30.1</b>
% margin	19.9%	20.4%	20.5%	22.3%	23.1%	21.5%	23.1%	21.0%	22.4%
SG&A	-101.6	-96.2	-89.5	-88.7	-89.6	-44.4	-45.4	-21.6	-22.7
<b>Adj. EBITA</b>	<b>23.4</b>	<b>23.1</b>	<b>30.0</b>	<b>35.6</b>	<b>36.9</b>	<b>16.1</b>	<b>17.1</b>	<b>6.9</b>	<b>7.3</b>
% margin	3.7%	3.9%	5.1%	6.4%	6.8%	5.7%	6.3%	5.1%	5.5%
<b>Adj. EBITDA</b>	<b>32.3</b>	<b>31.2</b>	<b>38.2</b>	<b>44.1</b>	<b>45.7</b>	<b>20.2</b>	<b>21.7</b>	<b>8.9</b>	<b>9.7</b>
% margin	5.2%	5.3%	6.5%	7.9%	8.4%	7.2%	8.0%	6.6%	7.3%
<b>Adj. EBITDA incl. IFRS 16<sup>3)</sup></b>					<b>60.6</b>		<b>28.4</b>		<b>13.1</b>
% margin					11.1%		10.5%		9.8%

1) M&A amortisation not included in D&A.

2) 2014 – 2016 figures represents consolidated TWW accounts, 2017-2018 is consolidated at Issuer level, and adjusted for the acquisitions of TWW and Xzakt group, 2018 is also adjusted for full effect of the acquisition of Awesome group.

3) The change of recording leases, IFRS 16 Leases, have an adjusted EBITDA effect in LTM 2019 of 14.9mEUR (margin 11.1%)

## Our transformation program (PPP) delivers – On track to meet or exceed 33 MEUR target

Identified areas	Target	Identified today	Realized 2017 <sup>1)</sup>	Realized 2018 <sup>2)</sup>	Realized Q2 2019 <sup>2)</sup>	Status
English speaking segment	EUR 12.3m	EUR 14.2m	EUR 5.0m	EUR 10.8m	EUR 12.5m	Continued cost reductions through administration and HR efficiency increases and transfer to Shared service centers
Europe segment	EUR 10.6m	EUR 12.0m	EUR 6.0m	EUR 8.4m	EUR 11.0m	Continued headcount reduction through delayering and transfer of services to Shared service centers
Central functions	EUR 10.2m	EUR 6.0m	EUR 0.0m	EUR 1.8m	EUR 2.3m	Continued headcount reductions in HR, IT and operations
Investments				EUR -1.5m	EUR -2.3m	Investment in sales, innovation, RPA, digitalisation and in Centres of Excellence for HR and Operations
<b>Total</b>	<b>EUR 33.1m</b>	<b>EUR 32.2m</b>	<b>EUR 11.0m</b>	<b>EUR 19.5m</b>	<b>EUR 23.5m</b>	

# E/O items trending downwards

Non recurring items, EUR millions

— LTM  
■ By quarter

Q2 non recurring items totalled EUR 3.1 million

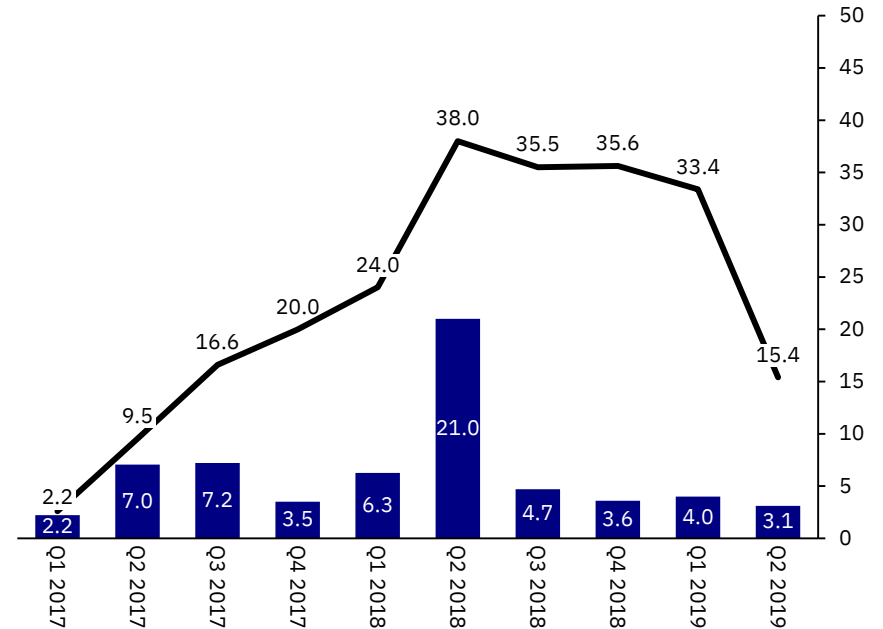
- Of which EUR 4.7 million operational
- Of which positive EUR 1.6 million transactional

Q2 E/O mainly related to the continued restructuring of the Spanish operations

Transactional items including divestiture of part of Spanish operations

Transactional items including EUR 3.3 million of divested goodwill, i.e., non-cash impact

Cash impact of Q2 E/O +0.2 MEUR



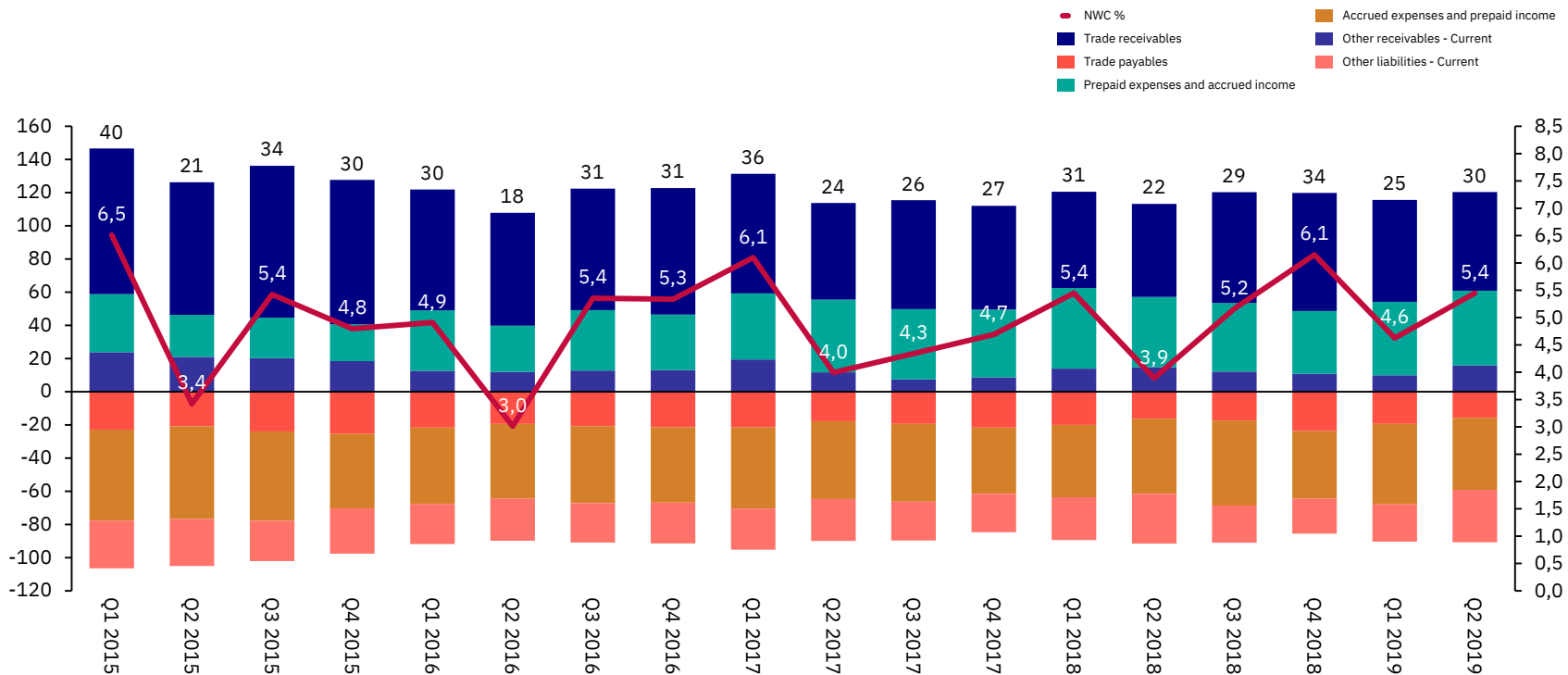
## Solid H1 operational cashflow

EURm	2018	2018 H1	2019 H1	2018 Q2	2019 Q2
Profit/loss before tax	-32 226	-30 164	-3 345	-21 813	-2 437
Adjustments for non cash items	30 050	18 696	19 220	15 853	12 009
Net financial items	19 674	11 780	8 429	4 209	4 388
Income taxes paid	-2 288	-1 301	-2 834	-1 026	-2 171
Changes in working capital	-12 716	3 677	-3 819	-2 774	-7 216
<b>Operating cash flow</b>	<b>2 495</b>	<b>2 688</b>	<b>17 651</b>	<b>5 596</b>	<b>4 573</b>
Investments	-8 803	-3 415	-5 182	-1 974	-2 837
Acquisitions/disposals of subsidiaries, net of cash	-34 033	-	5 936	-	6 540
Other	1 048	99	-84	-85	9
<b>Cash flow from investing activities</b>	<b>-41 788</b>	<b>-3 316</b>	<b>670</b>	<b>-2 059</b>	<b>3 712</b>
<b>Cash flow from financing activities</b>	<b>34 072</b>	<b>3 017</b>	<b>-7 120</b>	<b>-4 970</b>	<b>-4 880</b>
<b>Cash flow for the period</b>	<b>-5 222</b>	<b>2 389</b>	<b>11 201</b>	<b>-1 433</b>	<b>3 405</b>

- H1 operational cash flow EUR 17.6 million (2.7)
- Q2 operational cash flow slightly below LY, impacted by working capital fluctuation
- Q2 NWC fluctuation within normal variations

# Q2 operational cash flow impacted by higher NWC – Within normal variations

EUR millions, Percent of LTM revenues





# Summary



Agile, client  
centric, global way  
of working

Shared service centers  
expanded, W@H COPC  
certified

Investing in  
innovation &  
future tech

More than 120 RPA robots  
live in 20 international  
clients

Growth in  
strategically  
selected verticals

Sales and pipeline in line  
with strategy

Clearly identified  
initiatives for  
improved  
profitability

EUR 32.2m identified,  
23.5m annualized effect  
realized by Q2

Complementary  
M&A strategy

Investments into e-  
commerce, utilities, media

Thank you.