January 2024

# Financial Update

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# Executive summary

## Company overview

- Acquired in 2017 by Altor, Transcom provides world class customer services to leading consumer brands predominately in Europe and North America
- The Company's solutions are tech-enabled, with AI powered omnichannel solutions, robotic process automation, and analytics offerings
- The Company is shifting:
  - Its segment mix to high-growth eCommerce & Tech, which accounted for 46% of total LTM Q3-2023 Revenue
  - Its shoring mix to higher-margin near/offshore, which accounted for 47% of total LTM Q3-2023 Revenue
- LTM Q3-2023 Revenue was 740MEUR growing at +5.4% YoY with Adjusted EBITDA margin at 13.6%
  - Since the bond issuance, Revenue increased from 634MEUR in 2021 (+106MEUR) and Adjusted EBITDA margin from 11.9% (+170bps) respectively



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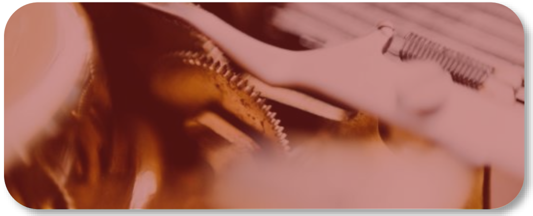
# Transcom is a global leader in digital CX



## Providing solutions for a world class CX…

**Transcom provides end-to-end CX solutions along its clients' customer journey**

- Customer care & tech support
- Customer acquisition, sales & retention
- Compliance & back-office

## …across all customer touchpoints…

**Transcom delivers a consistent experience across touchpoints**

- Seamless experience, e.g., from voice, messaging, etc
- Consistency for both human and AI-assisted interactions

## …enabled by leading digital capabilities

**Transcom embeds digital capabilities across all of its experiences**

- Digital CX advisory
- Digital solutions
- Digital operations & transformation



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# Introduction to Transcom

## Transcom in numbers

**2.5m+**
customer interactions on a daily basis

**90+**
locations worldwide:
on-shore, near-shore, off-shore, and work-at-home

**32,500+**
employees in **28** countries

**300+**
clients served across **28** countries, with **30%** of revenue from Global English[1] clients and **70%** spread around the world

**ISG award**
Global Rising Star and Europe & UK Leader within Contact Center Customer Experience Services – Digital Operations

**33**
Languages spoken

**24%**
Of revenue from off-shore

Privately-owned since **2017**
by leading Nordic private equity firm ALTOR

## Key financial statistics LTM Q3 2023

**740MEUR**
**Revenue**

**5.5%**
**YoY Revenue growth**

**46%**
**Revenue from eCommerce & Tech**

**13.6%**
**Adjusted EBITDA margin**

Note: 1) Global English revenue is defined as revenue of global clients from North America (includes revenue of these clients from e.g. Europe as well)

# The Transcom Journey

## Portfolio shift, delivery optimization & profitability uplift via operational improvement coupled with strategic M&A

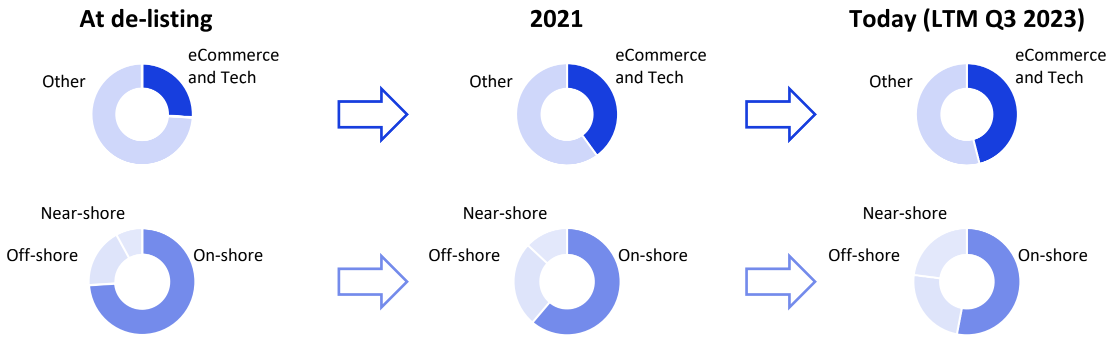
**Key strategic priorities**

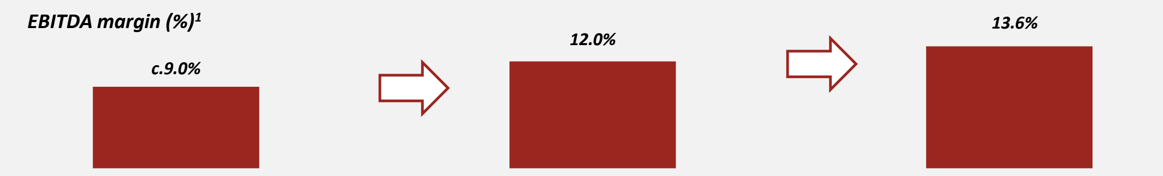
**Growth in attractive segments**

**Optimisation of delivery footprint**

**Profitability uplift overheads and admin cost-out, and focus on operational excellence**

**Strategic bolt-on acquisitions**




- 2017 – Xzakt (Nordics SME)
- 2018 – Awesome OS (US e-commerce)
- 2018 – Durrës (Italian Nearshore)
- 2019 – TMS connected! (German utilities)
- 2019 – ASA (German onshore)
- 2021 – Telefonica (German onshore)
- 2021 – CityConnect (German nearshore)
- 2022 – Forcontact
- 2023 – Timeframe
- Strategic repositioning

Note: All figures are IFRS16; Pie charts related to Revenue split

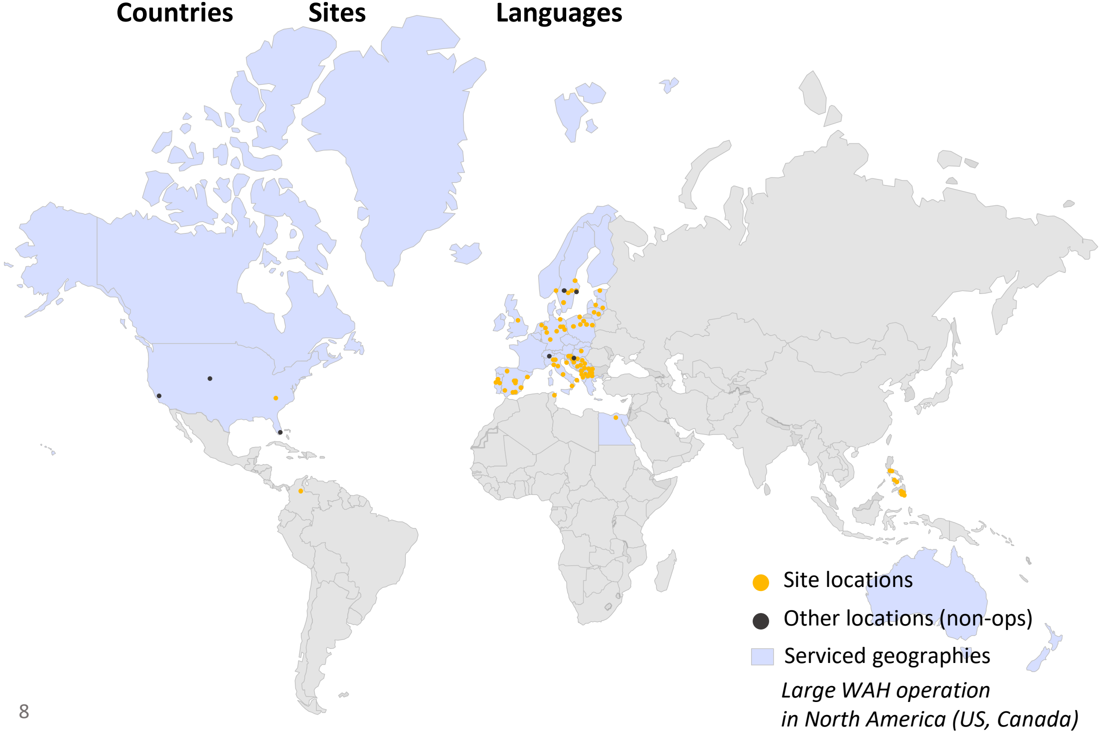
(1) 2017 EBITDA margin including an estimated IFRS 16 adjustment extrapolated using 2019A reported figures

# Global footprint serving Europe and Global English markets

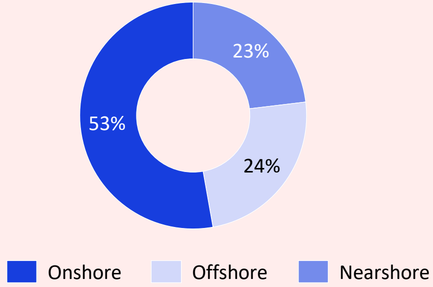
**28**
**Countries**

**90+**
**Sites**

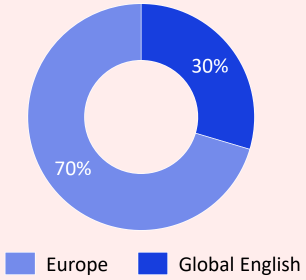
**33**
**Languages**




**Shoring mix**
Q3 LTM 2023 Share of revenue




**Regional mix**
Q3 LTM 2023 Share of revenue



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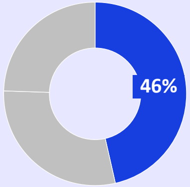
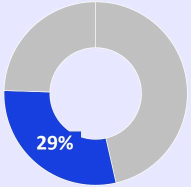
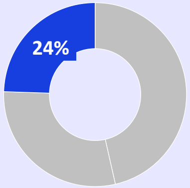
# Serving leading consumer brands across industries

| | Segment | Client examples | Share of revenue Q3 LTM 2023 | EBITDA margin Q3 LTM 2023 |
|---|---|---|---|---|
| **eCommerce & Tech** | Social media, Online retail, IT/Tech, Fintech, Logistics, Consumer durables | PayPal, SAMSUNG, Bolt, TechStyleOS |  46% | 19% |
| **Services & Utilities** | Utilities, BFSI, Gov & Healthcare, Media, Travel | BNP PARIBAS, ADVANZIA BANK, GET YOUR GUIDE |  29% | 10% |
| **Telco & Cable** | Telecom operators, Cable TV & Broadband operators | TELE2, ice |  24% | 9% |



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# Strategic priorities

## Daily execution

**Clients –** Win and grow rock solid partnerships

**Operations –** Exceed client expectations and drive efficiency

**People –** Recruit, retain and develop awesome CX talent

## Strategic shift

**Digital –** Lead the AI CX revolution

**Delivery –** Grow untapped talent markets

**Sectors and services –** Go for fast growing segments



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# Opportunities in a changing market

**Industry consolidation**
- TP + Majorel
- Concentrix + Webhelp
- Konecta + Comdata

**AI disruption**
- CX in the eye of the storm
- New entrants moving in
- Traditional BPOs repositioning

**Changing demand**
- Strong supporting megatrends
- Short term weakness
- Clients addressing cost

**Positioning of Transcom**
- **Faster** – Than competition
- **Focused** – On global clients
- **Future proofed –** Through AI and global approach

While retaining our success with local business

**The global, AI powered CX challenger**

# Sustainability framework aligned with core business

| People Development | Inclusion & Diversity | Community Engagement | Environment & climate | Business Ethics | Security & Privacy |
|---|---|---|---|---|---|
| Actively empower and support our people in their current role and future career | Create an inclusive and diverse workplace | Unlock the power of local communities by contributing to the overall equality, opportunity, and sustainability | Reduce and mitigate our negative environmental impact through the way we think, act, and procure | Ensure that our actions, interactions, activities, and decisions are rooted in a core sense of ethics and responsibility | Be trusted by employees, clients, and clients' customers to handle their data and safeguard integrity and privacy |
| Employee satisfaction & development, job creation in developing economies and emerging markets | Gender balance, fighting unconscious bias | Local community and employee engagement agendas | Reduce scope 1, 2, and 3 | Conduct, ethics, anti-corruption training & compliance, sustainable supply chain | Data privacy and security training & compliance |



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# Summary key highlights

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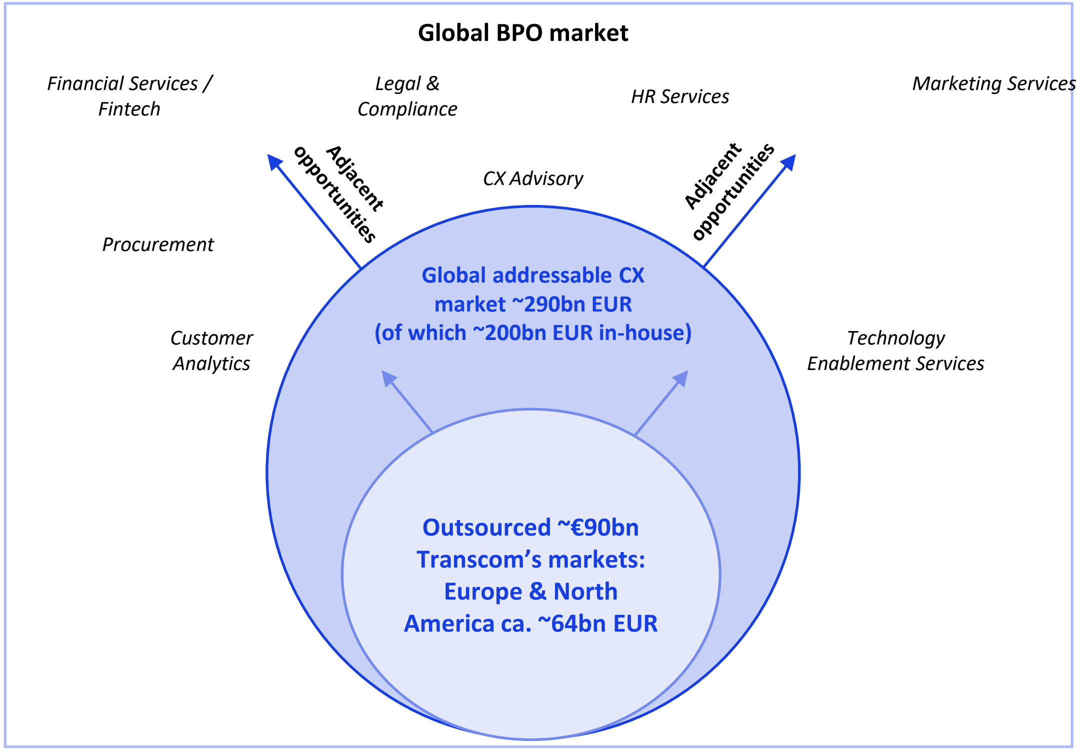
1. Attractive and growing outsourced CX industry with strong demand resilience through the cycle, with increasing exposure to attractive fast-growing e-commerce and tech markets
2. Unique leading market position, well-positioned to outgrow the market with European strongholds and expanding positions in the US and Philippines
3. Early AI adoption and digital CX solutions capabilities enable superior performance vis-à-vis clients and own operations
4. Highly visible / recurring revenue business model thanks to well-diversified and highly loyal client base
5. Variable cost base providing downside protection and resiliency with sustained profitability levels, underpinned by high operating leverage and low capital intensity
6. Organic growth and EBITDA margin uplift via continued shift in vertical mix and further optimization of delivery model, with M&A as an additional upside
7. Strong and highly motivated management team with track record of accretive acquisitions, and a supportive shareholder with access to capital if needed

# 1 Introduction to Transcom's underlying market

**Transcom operates in the large, global outsourced CX BPO industry**



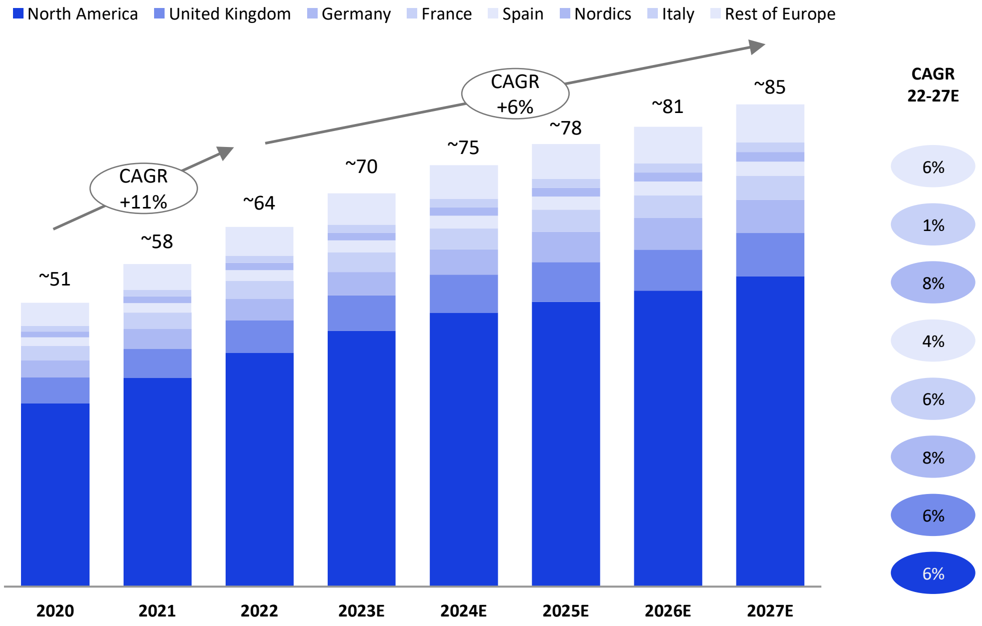

- **Attractive market** with long-term structural growth and strong demand resilience
- **Structural demand growth** driven by
  - Continued expansion of digital/remote business models
  - Increasing complexity due to additional channels, new technology, near/offshore locations drive outsourcing penetration
- **Generative AI is a continuation of a decades-long innovation cycle** that continues to support CX BPO providers to drive efficiencies and improve client journeys
  - Winners will be providers who are able to harness the power of the Gen AI technologies
- **Structurally resilient industry** proven through the cycle with resilient revenue and stable margins

**Source**: Industry leading management consulting firm

# 1 Attractive long-term growth in CX BPO driven by increasing outsourcing penetration

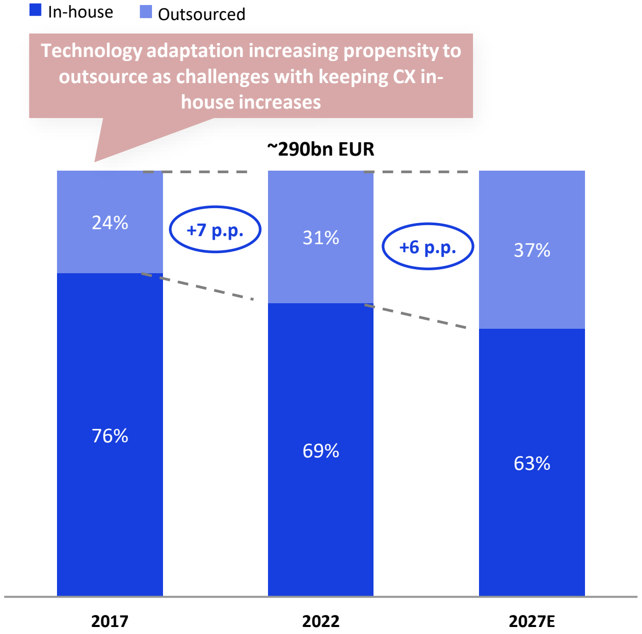
## European & North-American outsourced CX BPO market by geography

Serviceable markets by Transcom (bn EUR)




## Outsourcing vs. in-house penetration

% of global addressable CX market




**Source:** Industry leading management consulting firm



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# 1 Acceleration in digital transformation trends and structural changes in CX business model post Covid-19 creates a compelling opportunity

## A — Growth in customer interactions

- E-commerce taking share from physical
- Widespread digital channel adoption
- Rising consumer expectations for digital CX

1. Underlying service volume: Higher number of interactions as number of channels and adoption rates grow
2. Outsourcing penetration: More difficult to handle in-house given increasing volume, channel mix, customer expectations

## B — Increased complexity in delivery

- Rapid pace of technological innovation and adoption (e.g. AI)
- Globalization of business models (e.g., near/off shore and work-at-home)

1. **Outsourcing penetration**: More difficult to handle in-house given rising technical complexity, access to skilled labor
2. **Offshoring**: businesses more open to offshore CX given rise in work-from-home, and increasingly enabled by technology including AI

## C — Cost and talent pressure

- Increased competition for talent and rising costs of labor
- Lingering consumer concerns about macro-economic environment and inflation, driving price sensitivity

1. **Offshoring**: Rising costs, low labor availability driving offshoring for access to cheaper talent
2. **Overall price increase**

## D — Shift in CX BPO competitive landscape

- Increased M&A activity, with top 5 players making up c.35% market share in 2025 vs 13% in 2015
- Supplier consolidation as buyers expect vendors to serve "at scale"

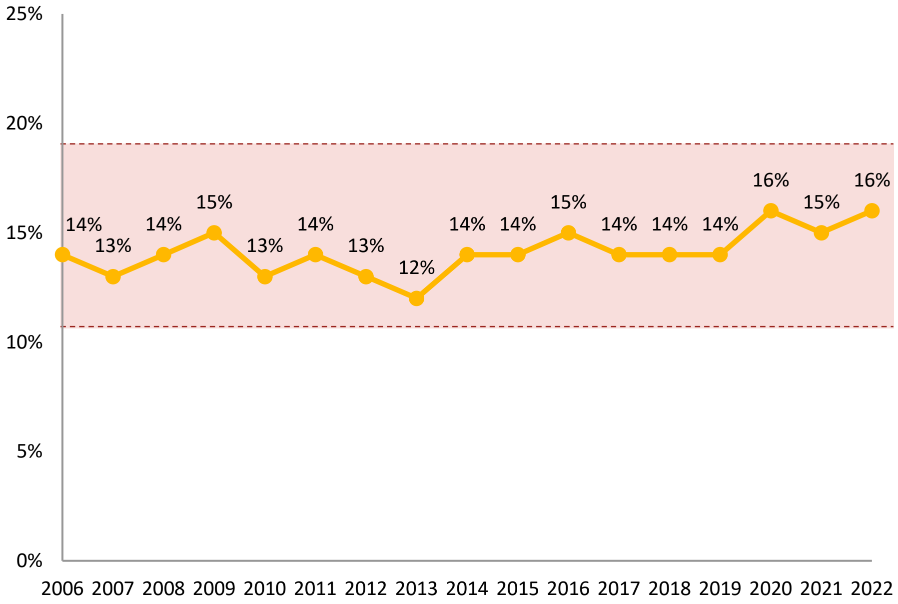
1. **Overall price increase**: potential for price rise as the number of vendors consolidate and increase breadth of offering
2. **Definition**: Definition of market to expand as players move upstream beyond customer experience solutions

**Source:** Industry leading management consulting firm

# 1 The industry has proven its resilience over time, and benefits from positive secular trends

## Resilient industry profitability margins through the cycle

**Peer group IFRS EBITDA margin[1]**




## Key market trends favor players such as Transcom

- Technology adaption increases propensity to outsource as challenges with keeping CX in-house increases
- Increasing demand of offshore services
- Shift from “walk in retail” to customer service at a distance
- Increasing barriers to entry, as clients are requesting more complex and multi-channelled services requiring technology expertise
- High value added services offered (analytics, voice of customers, etc..)
- Value add and margin accretive adjacent markets

Note: 1) Average IFRS EBITDA margin for industry peers incl. Atento, Conduent, Concentrix, Majorel, Teleperformance, and TTEC (for all years with publicly available financials)



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# 2 Transcom is a leading Digital CX outsourcer with European strongholds and expanding positions in the US and Philippines

| Offering | Footprint | Delivery Model | Wide array of customers |
|---|---|---|---|
| Digital to the core strategy with omnichannel solutions, Digital and AI-enabled offerings | Unique global scale with full-service delivery, covering hard-to-develop European markets, supplemented by robust delivery in the Americas and the Philippines | Agile delivery model with accelerating nearshore and offshore delivery, enabling Transcom to offer tailored "right- shoring" strategies to clients coupled with flexible WAH[1] offering | Unique ability to serve clients at all stages of maturity and size from start-ups to large enterprises |

**Note:** 1) Work-at-home

# 3 Transcom AI: Providing super powers to customer service agents

## Autopilots

Automating repeat and low complexity issues

- Chat and email bots
- Voice bots and voice IVRs
- Back-office automation

## Co-pilots

Providing agents a more effortless and productive workspace

- Decision support
- Multilingual enablement
- After call automation

## Analytics

Bringing insights from unstructured conversations

- Customer insights
- Operational performance
- Coaching and QA



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# 3 Transcom AI: Selected examples

| | **Autopilots**<br>Embrace CX | **Co-pilots**<br>Agent superpowers | **Analytics**<br>Managing business & services |
|---|---|---|---|
| | **Leading consumer electronics client** | **One of Europe's largest streaming services for e-books, audiobooks and digital magazines** | **TELCO debt collection service** |
| **Challenge** | Further **improve customer experience, service order** and **troubleshooting self service** – migrating the clients' advanced 1st gen troubleshooting bot to a GenAI troubleshooting bot | Continue to expand in new markets and languages in an effortless and effective way while still supporting customers in their native language | New digitization processes required a new debt collection management approach |
| **Solution** | **GenAI troubleshooting bot** incl. an online real-time, interactive and advanced data dashboard | **T:Translate:** an AI-based customizable application built in the existing agent workflows when answering any customer query in text; 29 Languages for +20 multilingual agents | **Machine Learning solution** based on Historical Data Analysis & ML algorithm selection: more than 6 ML models were selected using +1M of historical leads<br>New process definition: an automated process characterizes each customer with a predictive debt collection classification |
| **Impact** | **2x** BOT resolution rate<br>**16% service order deflection** (high savings value) | **0%** CSAT deviation<br>**50%** savings in resourcing<br>**100%** Agent satisfaction<br>**29 Languages** coverage | **8.8%** Increased debt collection rate<br>**17%** amount of debt collected by self-payment<br>**860** operative hours per month saved |

# 3 Transcom AI tech approach: Ranging from off-the-shelf products to enterprise solution with specialized LLMs

## 01 Gen AI **powered products**

*Integration of off-the shelf products, e.g.*

parloa
netomi
do

+ No/low code
- Inflexible workflows
- High operating cost

## 02 LLMs as **components**

*Adaptation and integration of foundation models*

| | |
|---|---|
| Google | Palm 2 |
| OpenAI | GPT |
| Meta | LLAMA 2 |

+ Customizable workflows
- Prompting and adaptations
- High operating cost

## 03 Specialized **Language Models**

*Development of company specific models with Silo*

SILO AI

- Transcom LLM
- Confidential client LLM
- Your LLM?

+ Accuracy
+ Lower running cost
- Development cost



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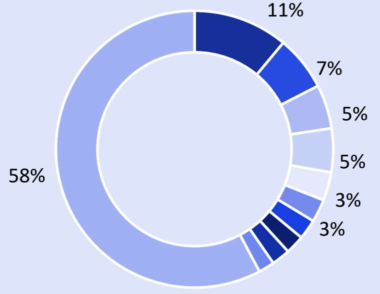
# 4 Diversified, longstanding and loyal client base with high retention rates

## 2023 Q3 LTM

**Diversified client base…**

Top 10 clients, share of revenue, %

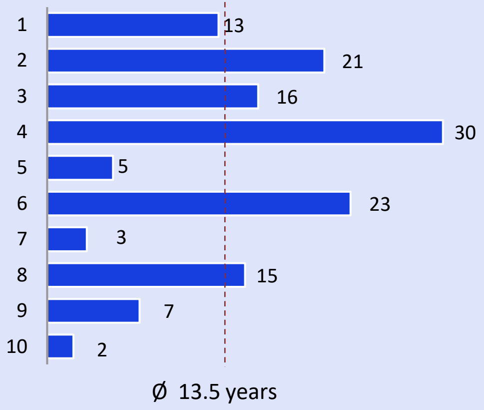



- Top 10 clients 42% of 2023 Q3 LTM revenue, v. 48% of 2021 revenue
- #1 client 11% of revenue

## 2023

**… with long term relationships**

Top 10 clients, duration of relationship, years




- Average relationship of top 10 clients 13.5 years
- 2022 revenue retention 98%[1]
(6% net growth of installed base)



**Note:** 1) Calculated as 100% - churn; churn defined as the difference in lost client revenues divided by prior year total revenues

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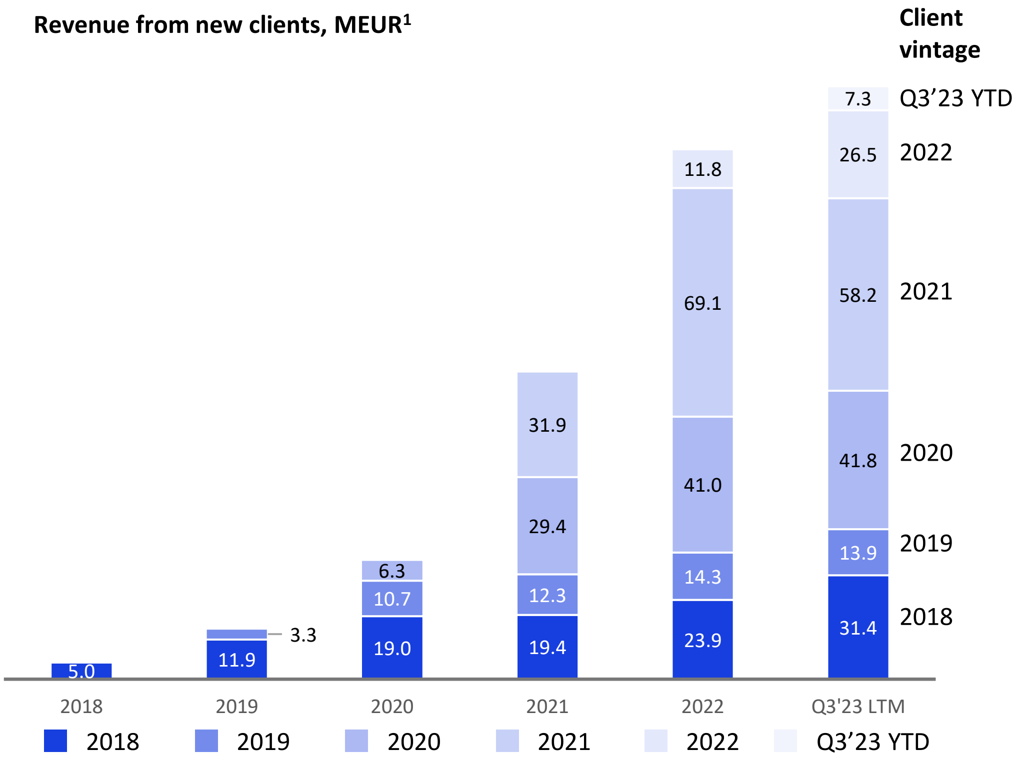
# ❹ New clients provide recurring and growing revenue

**Revenue from new clients, MEUR[1]**




- Long term relations provide high earnings visibility through recurring revenue
- Growth is driven by the growth of clients themselves alongside increasing share of wallet
- Limited client churn provides resilient revenue

**Key 2023 wins[2] (Q1-Q3)** (annual contract value)

**Media**
CS, Backoffice, Email
7.9 MEUR

**Energy**
CS, Voice Webchat, Email
4.6 MEUR

**Fintech**
CS, Voice, Webchat
4.2 MEUR

**Energy**
CS Voice & Email
2.6 MEUR

**Energy**
CS Voice, Back Office
2.1 MEUR

**Telecom**
CS Back Office, Webchat
1.6 MEUR

**Retail**
Voice
1.5 MEUR

**Financial services**
Back Office, Email, Whatsapp
1.5 MEUR

**Notes**: 1) Does not include acquisitions, divestments, exited business and non-recurring. 2) Excludes renewals and growth in existing contracts



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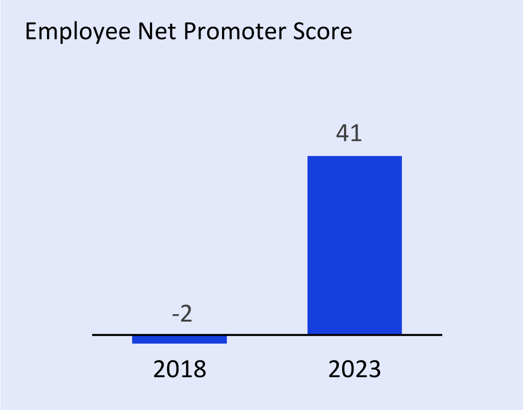
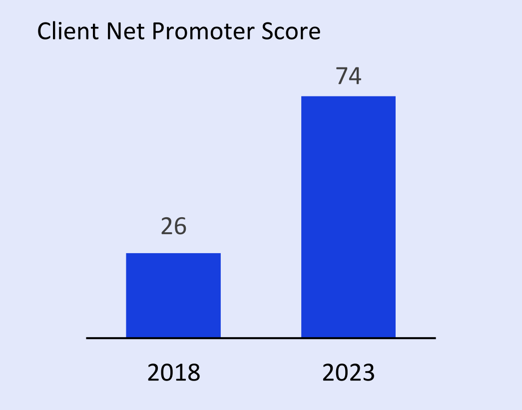
# 4 Strong improvement in client and employee satisfaction




- Culture and leadership are key pillars in Transcom's strategy
- Based on decentralized and full business accountability
- Quarterly "Voice of the employee" surveys to follow-up progress on employee satisfaction

- Annual Client satisfaction surveys including in-depth client interviews with deep engagement from entire leadership team
- Client Account Leaders have full responsibility for client relations and client account growth
- Strong focus on client satisfaction contributing to improving client NPS



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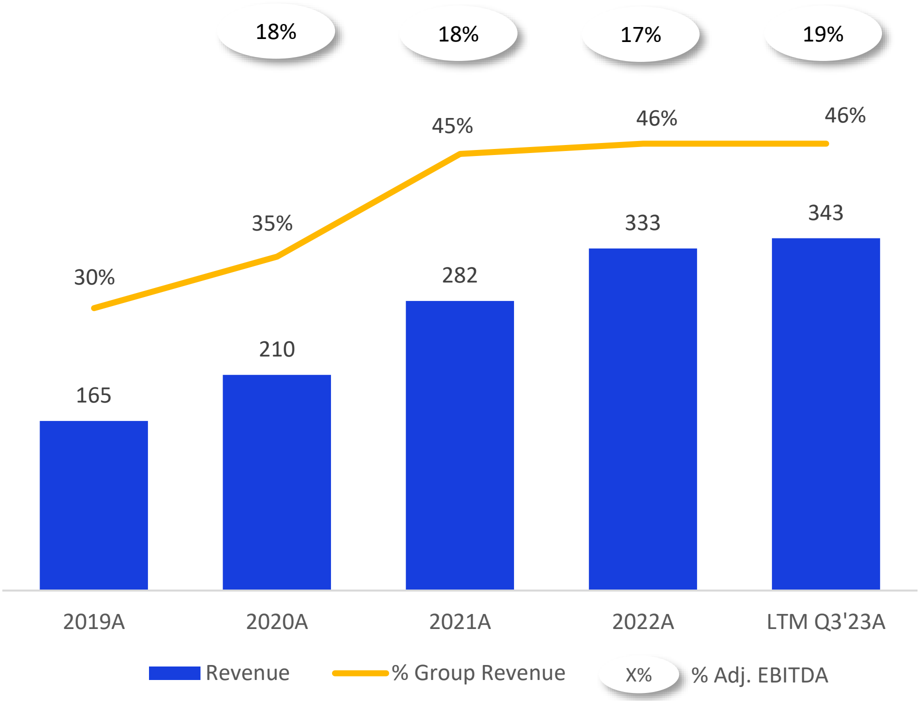
# 4 Growing in highly profitable eCommerce & Tech sector

**Long term and profitable growth[1]**

*eCommerce & Tech Revenue MEUR, Adj. EBITDA %*




**Transcom's journey to becoming a trusted advisor to a leading BNPL fintech scale up**

**2020**

**Support in Germany**

- Chat service offshore in Croatia

**2021**

**Extended to Europe**

- Chat (Spanish)
- RFP (Spanish, French, Italian, Dutch)
- BackOffice
- T:Perform
- LoB in Poland and Serbia

**2022**

**Aid expansion in the US**

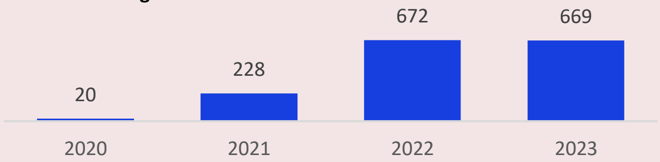
- LoB in Croatia
- Hiring 750+ CSRs in 2 years
- Backlog Support

**2023**

**Transcom is a "trusted advisor"**

- Ranked #2 for CX service by the client who used various BPO companies
- Recognized as the best-performing vendor in the US
- Won Philippines Ayala site

**# FTEs working with client**






Note: 1) Adj. EBITDA is not available for 2019 after the latest reclassification of customers

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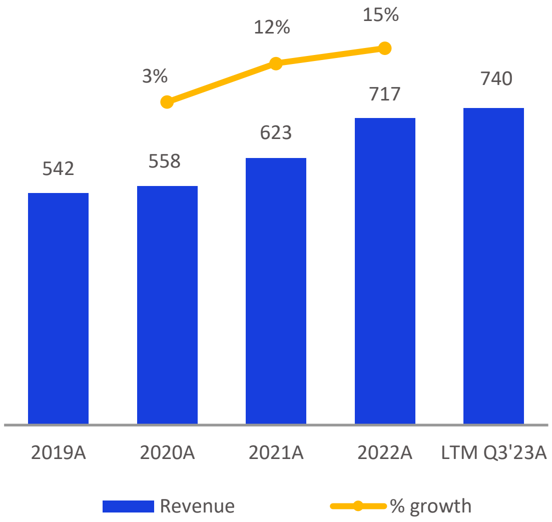
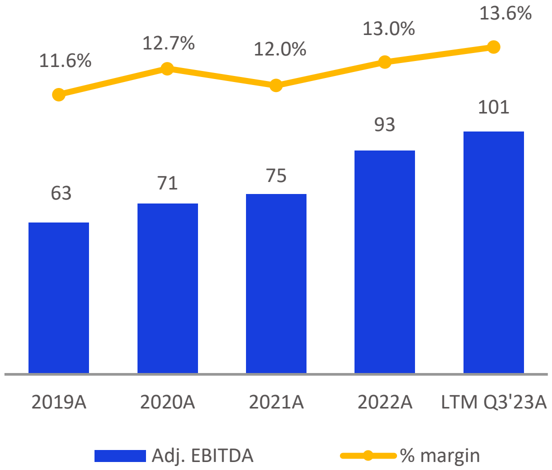
# 5 Continued growth momentum and improvements in profitability with high margin and cash generation

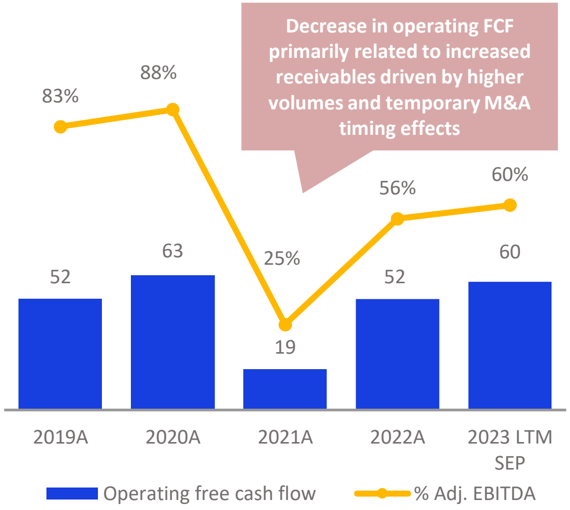
Revenue, MEUR




Adj. EBITDA, MEUR




Operating free cash flow, MEUR






**Note:** Operating free cash flow defined as Adj. EBITDA – Capex – change in NWC

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# 6 Plan to deliver organic growth and EBITDA margin expansion via continued shifts in vertical mix and delivery model within 3 years

**>16%**
**EBITDA IFRS 16**

**Continuation on the trend**
- Operational Excellence
- Client mix shift
- Near/offshore expansion

**>5–10%**
**organic growth p.a.**

**Sustaining current momentum**
- Continued mix shift towards eCommerce & Tech
- Investments in sales and commercial organization
- Grow share of wallet of strategic clients

**>5–10%**
**acquired growth p.a.**

**Shifting up to the next gear**
- Supporting strategic shift: Digital, eCommerce & Tech, near/offshore
- Reinforcing market access and accretive in-market bolt-ons

**Conservative**
**leverage**

**Conservative leverage, reinvesting in growth when leverage permits**
- Strong cash flow generation and EBITDA expansion providing natural de-leveraging opportunity
- Ability for targeted accretive M&A growth within leverage limits
- Aim to keep within 4.0x leverage with temporary increases possible in case of strategic M&A


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# 6 Strong M&A track record in SMEs with retained and improved performance

| Date | Target | HQ | Revenue at acquisition (MEUR) | | Rationale |
|---|---|---|---|---|---|
| Jun-17 | XZAKT | | 14 | 150 | Strengthen Nordic presence within SME |
| Jul-18 | AWESOME OS | | 22 | 2,000 | Increase digital capabilities across e-commerce and offshore delivery |
| Aug-18 | Durrës | | 6 | 500 | Enhance European near-shoring and multilingual services |
| Mar-19 | tms connected! by Transcom | | 19 | 500 | Improve utilities footprint in the German market |
| Apr-19 | ASA | | 4 | 100 | Gain further German media exposure |
| Jul-21 | Telefónica | | 20 | 470 | Add further capacity for German-based clients |
| Sep-21 | CC City Connect | | 15 | 600 | Further reinforce capabilities for the German market and nearshore delivery |
| Dec-22 | FORCONTACT Europe | | 10 | 650 | Strengthen presence in Italy, nearshore delivery and e-commerce |
| Jul-23 | timeframe | | 21 | 700 | Strengthen nearshore delivery in Germany and entry in Greece |



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# 6 Strong M&A pipeline to fuel further growth with margin accretive business from Day 1

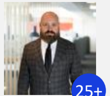
| | | Status of targets fitting our M&A strategy: Identified | Dialogue |
|---|---|---|---|
| **Bolt-on** | ✓ **Acquisitions to accelerate growth and elevate profitability**<br>– Near/offshore delivery networks for Europe and AAPAC<br>– Attractive high-growth clients supporting client mix shift<br>– Margin accretive from day 1 | 60-70 | 10+ |
| **Strategic capabilities** | ✓ **Acquisitions adding strategic capabilities difficult to build in-house within reasonable timeframe and/or entry in attractive new geos**<br>– Boost digital delivery and enhance CX/AX through AI<br>– Support AI (Data tagging/annotation) / Content Moderation<br>– Entry into CX/BPO hotspots (India, Africa) or high-growth segments (e.g. US Healthcare) | 10-20 | 0-5 |
| **Transformational** | ✓ **Acquisitions to significantly change Transcom's profile**<br>– Strengthen position in the USA<br>– Transformative to shoring mix (India, Africa, LatAm)<br>– Attractive client portfolio (Tech, Healthcare) | 10-20 | 0-5 |

# 7 Highly motivated management team and board with track record of accretive acquisitions, and a supportive shareholder with access to capital if needed

## Seasoned leadership team with international experience

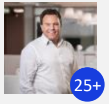
**Jonas Dahlberg**
*CEO & President since Jan 2020*
30+
McKinsey & Company SWECO

**Snejana Koleva**
*CFO*
10+
SANDVIK McKinsey & Company



**Travis Coates**
*COO & CEO AAPAC*
25+
Teleperformance

**Robert Kresing**
*CEO, EMEA*
15+
accenture arvato BERTELSMANN



**Oliver Cook**
*Chief Commercial Officer EMEA*
25+
walterservices

**Emma Crowe**
*CPO*
20+
ttec

**Sandra Kujundžić Drašković**
*CTO*
15+
STYRIA DIGITAL DEVELOPMENT

## Industry leading board with strong backgrounds for Transcom's further growth

**Fredrik Cappelen**
Chairman
30+
nobia SECURITAS

**Christine Barry**
25+
CONVERGYS

**Donald Hicks**
20+
airbnb

**Mattias Holmström**
15+
ALTOR
Meltwater

**Herman Korsgaard**
10+
ALTOR
ROSSIGNOL

**Brent J. Welch**
30+
Teleperformance

**Alfred von Platen**
30+

**Best-in-class management and board introduced since Altor's engagement has driven significant performance improvements**

xx Years of experience

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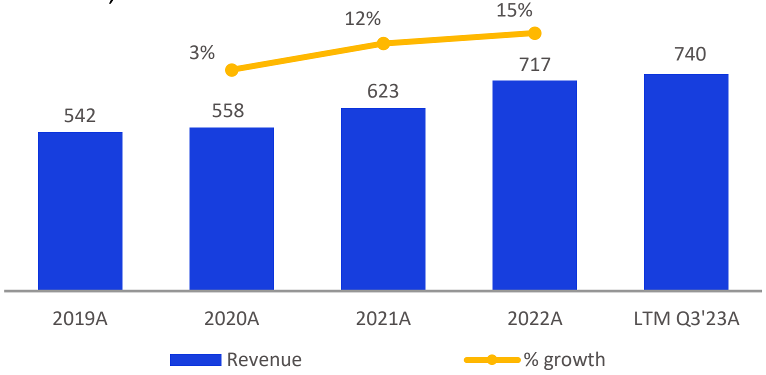
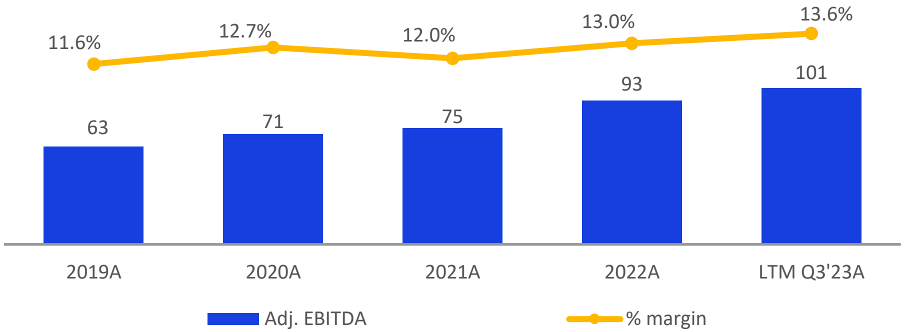
# Transcom has delivered accelerating growth and uplift in profitability




**Strategic shift underpinning ongoing stable sales growth**

- Shift to high-growth eCom and Tech
- Discontinuing unprofitable contracts
- Contracts from Awesome and TMS

**13%**
Sales CAGR L4Y[1]

**Management-led initiatives driving profitability**

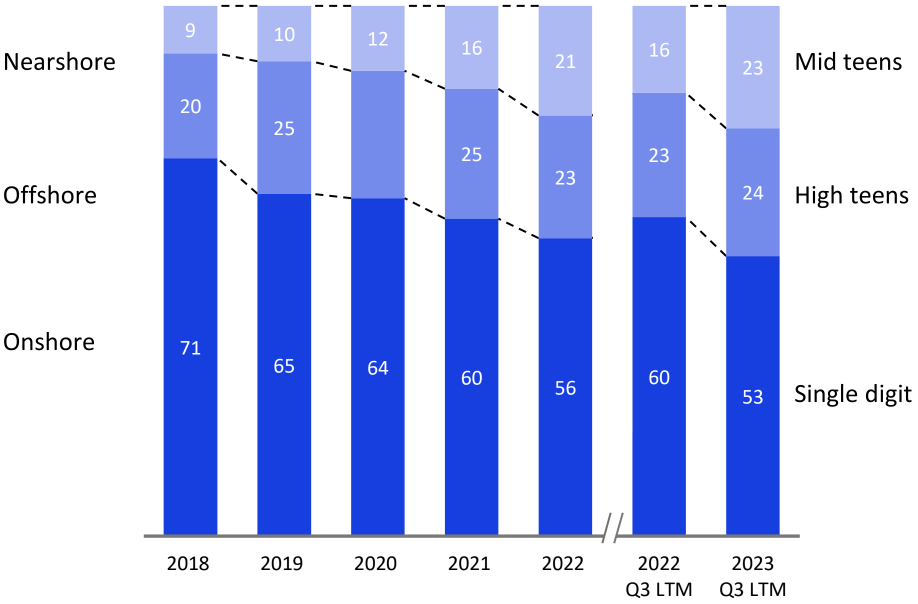
- PPP cost-cutting programme
- Shift to high-margin eCom and Tech
- Increasing near- and offshore delivery

**2.1 p.p.**
EBITDA margin expansion since 2019

Note: 1) Based on continuing business

# Shift to competitive near/offshore delivery continues in 2023

**Share of Revenue by type of delivery, percent**




**Recent openings and expansions in near- and offshore locations**

## Davao, Philippines
**(expansion)**

420 seats
Primarily for the North American market

## Greece

Thessaloniki 1 & 2, 120 seats
Volos, 60 seats
Serres, 50 seats

## Cairo, Egypt

1,200 seats, opened 2022
English/Multilingual
Fully occupied at the end of 2023

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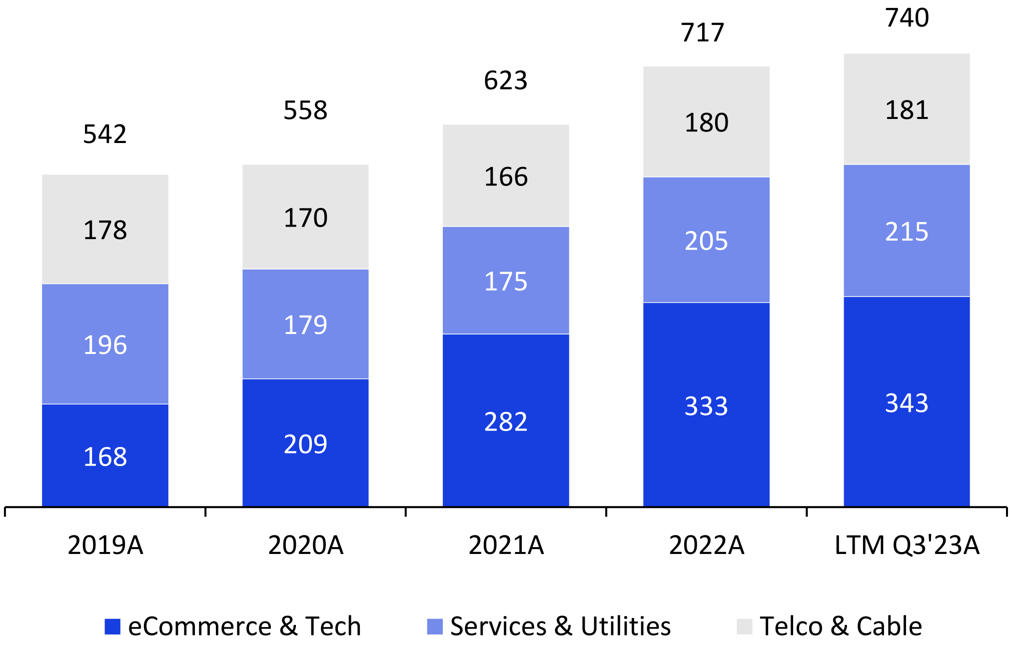
# Large and expanding exposure to fast growing eCommerce & Tech segment driving above market growth

**Revenue by segment, MEUR**




| '21-'22 growth | '19-'22 CAGR | LTM Q3'23A Adj. EBITDA margin |
|---|---|---|
| 8.4% | 0.4% | 9% |
| 17.1%[1] | 1.5% | 10% |
| 18.1% | 25.6% | 19% |

**Transcom significantly outgrew the market in 2022 within eCom & Tech (vs. 2022 market CAGR within eCom & Tech in Europe and US of ~10%)**

**Note:** Inorganic contribution from TMS and City Connect

**Source:** Market data from Industry leading management consulting firm



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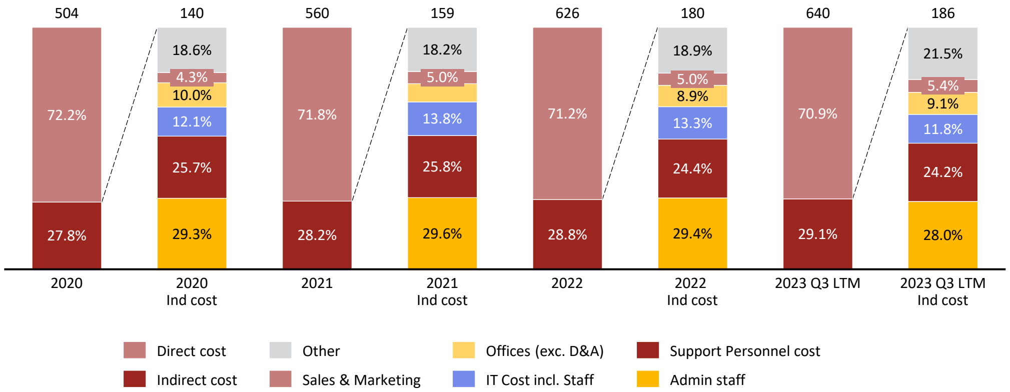
# Highly variable cost base providing financial flexibility and positive impact on margins from economies of scale

**Total cost base breakdown, MEUR (excl. D&A and NRI)**




| EUR Millions | 2020 | % of Rev | 2021 | % of Rev | 2022 | % of Rev | 2023 Q3 LTM | % of Rev |
|---|---|---|---|---|---|---|---|---|
| Direct Operational Cost | 364 | 63% | 402 | 63% | 446 | 62% | 454 | 61% |
| Indirect costs | 140 | 24% | 158 | 25% | 180 | 25% | 186 | 25% |
| D&A | 26 | 4% | 29 | 5% | 32 | 4% | 32 | 4% |
| **Total cost base** | **529** | **92%** | **589** | **93%** | **657** | **92%** | **673** | **91%** |

- 70%+ of cost base is highly flexible in the short-to-medium term providing downside risk protection
- Stable indirect costs as % of Revenue; Focused investments in Sales & Marketing in the last 3 years
- Margin improvement programs executed in 2022-2023, and new initiatives launched in Q4 2023
  - 10MEUR in run rate improvements program executed in 2022-23 – mainly staff efficiencies, closure of onshore sites
  - 20MEUR in run rate EBIT improvements program initiated in Q4 2023, with expected full run-rate in 2025, with focus on
    - Operational efficiencies (Bill-to-Pay ratios improvements)
    - Further shift of delivery but also support staff to near and off-shore locations
    - Overhead rationalization



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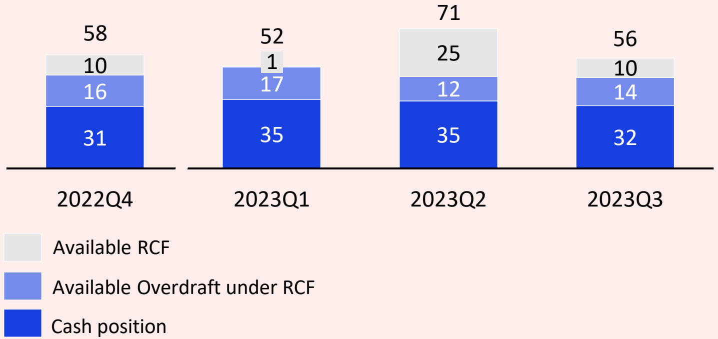
# Cash flow statement and available liquidity evolution

| MEUR | 2020 | 2021 | 2022 | 2022 YTD SEP | 2023 YTD SEP |
|---|---|---|---|---|---|
| Profit/loss before tax | -7.9 | -5.2 | 10.6 | 4.1 | -5.7 |
| Adjustments for non-cash items | 38.6 | 43.4 | 42.5 | 28.2 | 30.2 |
| Net financial items | 19.4 | 27.1 | 24.8 | 15.5 | 27.6 |
| Income taxes paid | -4.9 | -9.0 | -8.2 | -7.2 | -7.7 |
| **Operating cash flow before NWC changes** | **45.2** | **56.3** | **69.7** | **40.6** | **44.5** |
| Changes in working capital | 5.0 | -34.3 | -17.3 | -13.1 | -11.4 |
| **Operating cash flow** | **50.3** | **22.0** | **52.4** | **27.5** | **33.1** |
| Investments/disposals | -14.4 | -20.9 | -24.2 | -13.9 | -14.8 |
| Acquis./disposals of business, net of cash | -6.8 | -23.7 | -9.8 | -5.0 | -13.9 |
| Other | 0.1 | -0.7 | 0.4 | -0.7 | -0.1 |
| **Cash flow from investing activities** | **-21.1** | **-45.3** | **-33.6** | **-19.6** | **-28.8** |
| **Cash flow from financing activities** | **-28.8** | **49.6** | **-25.9** | **-14.8** | **-3.6** |
| **Cash flow for the period** | **0.4** | **26.4** | **-7.1** | **-6.9** | **0.7** |

- Operating cash flow 9.4MEUR (12.2) in the quarter, with a decline in WC of 6.8MEUR (2.9)
- Cash flow from investing activities -13.4MEUR (-5.5) in the quarter includes Timeframe acquisition and earnout payments for previous acquisitions
- Cash flow from financing activities 0.3MEUR (-5.9) in the quarter
- Cash flow in the quarter -3.8MEUR (0.8)

**Total available liquidity, MEUR**



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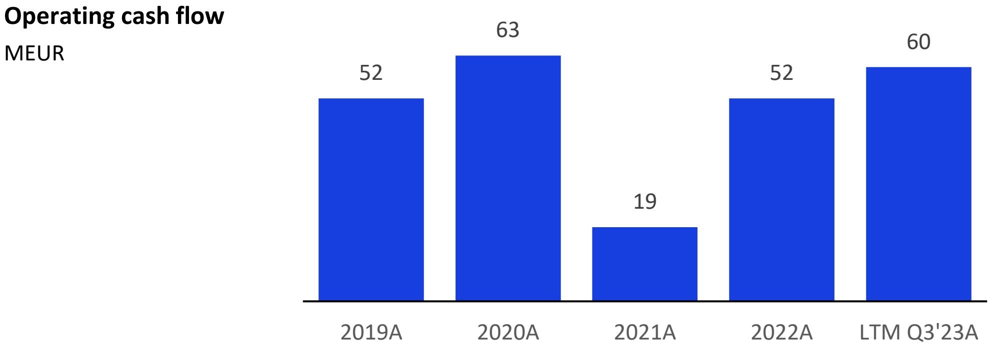
# Operating free cash flow evolution




| MEUR | 2019A | 2020A | 2021A | 2022A | 2023 LTM SEP |
|---|---|---|---|---|---|
| **Adj. EBITDA** | **63** | **71** | **75** | **93** | **101** |
| Capex[1] | (17) | (15) | (22) | (24) | (25) |
| *o/w tangible assets* | *(12)* | *(13)* | *(19)* | *(20)* | *(20)* |
| *o/w intangible assets* | *(5)* | *(1)* | *(2)* | *(4)* | *(6)* |
| *o/w other* | *(1)* | *0* | *(1)* | *0* | *1* |
| Change in NWC | 6 | 6 | (34) | (17) | (16) |
| **Operating free cash flow** | **52** | **63** | **19** | **52** | **60** |
| *% of Adj. EBITDA* | *83%* | *88%* | *25%* | *56%* | *60%* |
| *IFRS 16 Lease Payments* | *(12.6)* | *(13.3)* | *(15.8)* | *(16.3)* | *(15.1)* |

- Highly cash-generative business due to capital-light model and flexible cost base
- Capex increased in 2021 and 2022 on the back of pandemic delayed investments, further financing growth
- Capex is primarily related to investments in establishment of new sites, including refurbishments, computer hardware, software and office
- Increase in NWC during 2021 primarily relates to increase in accounts receivables driven by revenue growth and timing effects of acquired companies NWC consolidation
- Collection cycles have improved during 2022 and remained stable during 2023Q1-Q3 and in line with industry peers[2]

Notes: 1) Excl. acquisition capex; 2) Benchmark on AR as % of Revenue, Includes TTEC, Telus Int, Concentrix, Teleperformance and Majorel – benchmark done in Q2'2023



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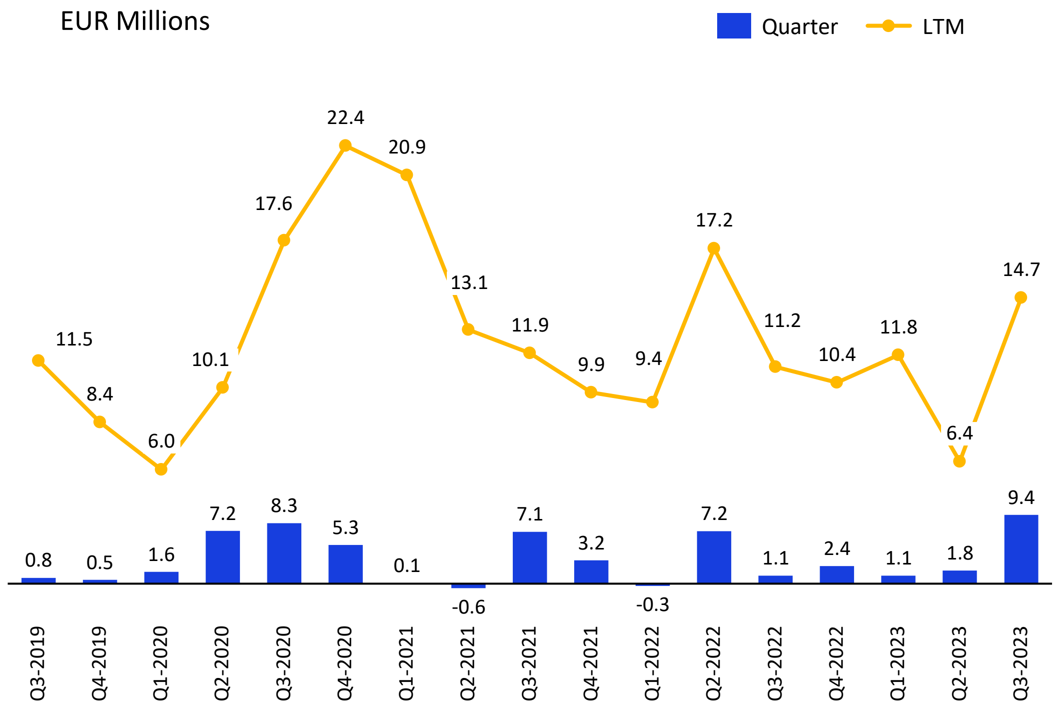
# Non-recurring items ca. 10MEUR in 2021 and 2022, expected to return to single digit again




**LTM Q3-2023 Non-recurring items ("NRI") totaled 14.7MEUR; Q3-2023 YTD NRI cost is 12.3MEUR, including**

- Site closures (7.1MEUR Q3 YTD): costs driven by high penalty fees and/or long outstanding lease contract; biggest sites closed are in the US, Germany and Spain (business moved Work-at-home at lower cost, and at near-shore locations)
- Staff optimization & severance costs (3.3MEUR Q3 YTD)
- Transactional cost related to M&A activity (1.3MEUR) 2 acquisitions completed in 2022-23 (Forcontact and Timeframe); outstanding success fees for acquisition in 2020 (City Connect) and general support on ongoing transactions
- Further ca 5MEUR of NRI expected in Q4 related to the cost savings program initiated (further site optimization & consolidation onshore, severance costs and transactional cost)

**Key mitigants for NRI in 2024**

- Site footprint optimization is largely completed with site utilization of ca. 75-80%
- Restructuring program largely done, and limited severance costs expected
- Further near- and offshoring of support cost with savings potential might trigger restructuring costs, but impact will be manageable within our target for NRI under 10MEUR p.a.



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# Q4-2023 outlook

| | Q4-2023 Est. | FY 2023 Est. |
|---|---|---|
| **Topline** | **Ca 190M**<br>**(1)% growth**<br>**(2)% LfL growth*** | **Ca 737M**<br>**+3% growth**<br>**+4% LfL growth*** |
| **EBITDA excl. NRI** | **25M**<br>**13% margin** | **96M**<br>**13% margin** |
| **Net leverage** | **3.7x** | |

- Continued wins of new contracts
- Continued low client churn – No material client losses
- Soft consumer sentiment in Q4, specifically in eCom & Tech, driving lower revenue from existing contracts than typical peak season in Q4
- Consumer sentiment trend expected to continue in H1 2024

- Stable EBITDA margin
- Cost optimization program initiated to further improve profitability
- EBITDA margin expected to continue improving driven by shoring mix shift, cost optimization program and operational excellence

* Like-for-like growth is excl. the exit in Spain and inorganic growth from Forcontact and Timeframe. **Note**: The information presented above is derived from preliminary management accounts and internal estimates. It has not been audited, reviewed or verified by our auditors and you should not place undue reliance thereon. This information is preliminary and subject to change. Consequently, we may report results that are different from this information



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# Income statement

| MEUR | 2020 | 2021 | 2022 | Q3-2023 LTM |
|---|---|---|---|---|
| **Total Revenue** | **575** | **634** | **717** | **740** |
| Total Operational Direct Costs | (364) | (402) | (446) | (454) |
| **Contribution** | **211** | **232** | **271** | **286** |
| *Contribution margin, %* | *36.7%* | *36.6%* | *37.8%* | *38.6%* |
| Total Operational Support Direct cost | (67) | (81) | (86) | (88) |
| **Gross Profit** | **144** | **151** | **185** | **198** |
| *Gross margin, %* | *25.0%* | *23.9%* | *25.8%* | *26.7%* |
| Total Sales & marketing costs | (6) | (8) | (9) | (10) |
| Total G&A costs | (93) | (100) | (119) | (122) |
| Other operating cost/result | 0 | 2 | 3 | 1 |
| **EBITA** | **45** | **44** | **60** | **67** |
| *EBITA margin, %* | *7.9%* | *7.0%* | *8.4%* | *9.1%* |
| **EBITDA** | **72** | **75** | **93** | **101** |
| *EBITDA margin, %* | *12.5%* | *11.9%* | *13.0%* | *13.7%* |
| **EBITDA excl. IFRS 16 (not including FX on EBIT)** | **58** | **60** | **77** | **85** |
| M&A Amortization | (12) | (13) | (14) | (15) |
| Extraordinary items, total | (22) | (10) | (10) | (15) |
| **EBIT** | **11** | **22** | **35** | **38** |
| *EBIT margin, %* | *2.0%* | *3.5%* | *4.9%* | *5.1%* |
| **Net financial result** | **(20)** | **(27)** | **(25)** | **(37)** |
| **Profit / loss before tax** | **(8.3)** | **(5.0)** | **10.6** | **0.9** |
| Income tax expense (income) | (1) | (1) | (11) | (7) |
| **Net income** | **(10)** | **(7)** | **(0)** | **(6)** |

**Note:** NRI are included across multiple line items in the income statement

# ESG: Principal Adverse Impact Indicators 2022

| PAI indicator | |
|---|---|
| GHG emissions (Scope 1,2, 3 and total) | Scope 1: 2,602<br>Scope 2: 10,615*<br>Scope 3: 18,995<br>Total: 32,211 |
| GHG intensity (ton CO2e per MEUR) | 44.9 |
| Exposure to companies active in the fossil fuel sector | No |
| Share of non-renewable energy consumption and production | 11% |
| Energy consumption intensity (MWh per MEUR) | 40.2 |
| Activities negatively affecting biodiversity sensitive areas | No |
| Emissions to water | N/A |
| Hazardous waste ratio | 0 |
| Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | 0 |
| Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | No |
| Unadjusted gender pay gap | 2.4%** |
| Board gender diversity | 86/14 (M/F) |

**Source:** 2022 Sustainability Report

* Market based, Scope 2 Location based: 10,174; ** Unadjusted gender gap pay equation: (average hourly gross pay of full-time male employees – average hourly gross pay of full-time female employees) / avrege hourly gross pay of full-time male employees



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