

21 October 2015

Transcom

Third quarter 2015 results presentation

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Outstanding
Customer
Experience

Transcom

Key highlights Q3 2015

- Positive profitability trend continued
 - 4.1% EBIT margin excluding €1.0m non-recurring item in Q3 2015 (provision for class action lawsuit in North America)
 - EBIT margin on a 12-month rolling basis is steadily improving towards our mid-term target of at least five percent
- Organic growth despite Transcom's decision not to bid for renewed public sector agreement in Italy
 - 1.8% organic growth, mainly driven by higher activity with clients in the North Europe region
 - Mid-term organic growth target is at least five percent
- Net debt/EBITDA 0.6 compared to 1.7 in Q3 2014 and 0.3 in Q2 2015
 - We saw particularly strong collections at the end of Q2 2015, a situation that has now normalized
 - Target for net debt/EBITDA is maximum 1.0

At a glance

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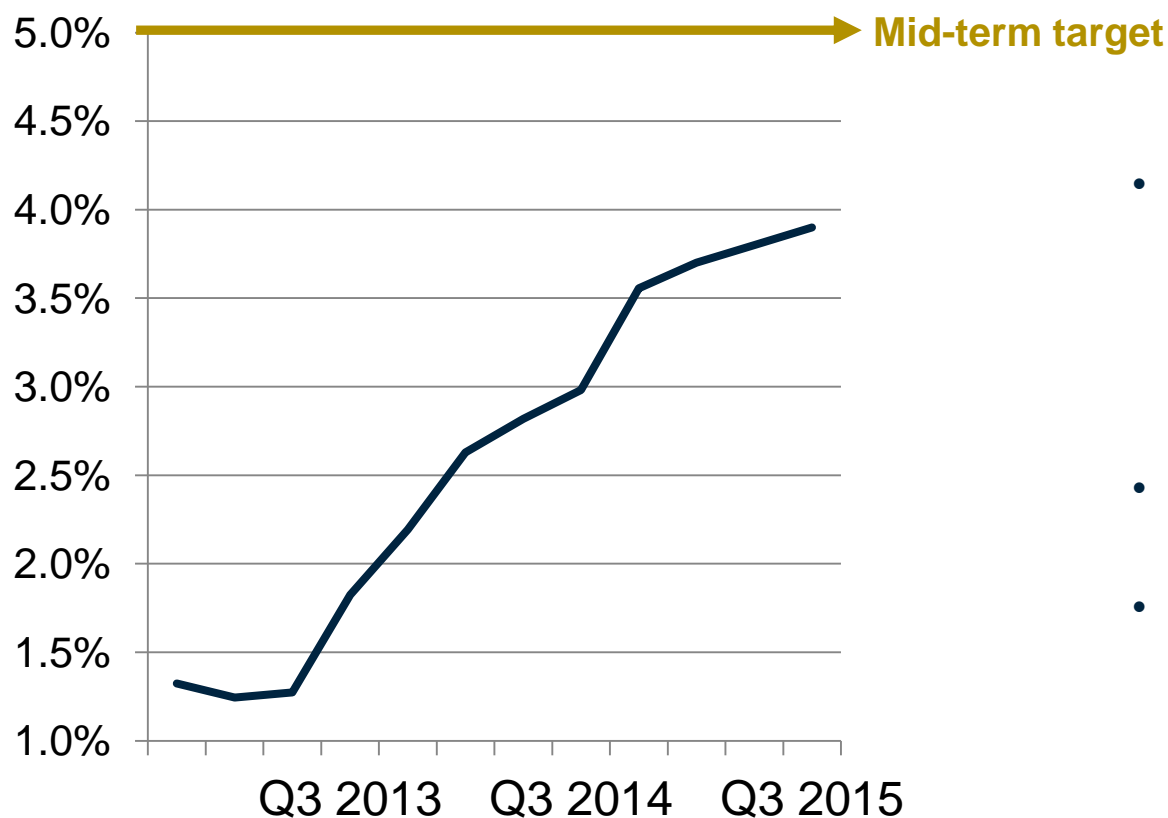
Transcom in numbers

- A global **customer experience** specialist...
- ...employing **30,000** people...
- ...representing more than **100** nationalities...
- ...operating **54** contact centers, onshore, off-shore and near shore...
- ...**in 23** countries...
- ...delivering services in **33** languages...
- ...generating €616.8 million revenue in 2014...
- ...with a market cap of **SEK 2.1 billion** as at September 30, 2015. Listed on Nasdaq Stockholm (Mid Cap segment) under ticker TWW.

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Steady improvement towards our mid-term EBIT margin target of at least 5 percent

12-month rolling EBIT* margin development



- Targeted sales efforts
 - Growth with existing clients in new geographies
 - Broadening client base
- Efficiency improvements driven by standardization
- Continuous focus on underperforming areas

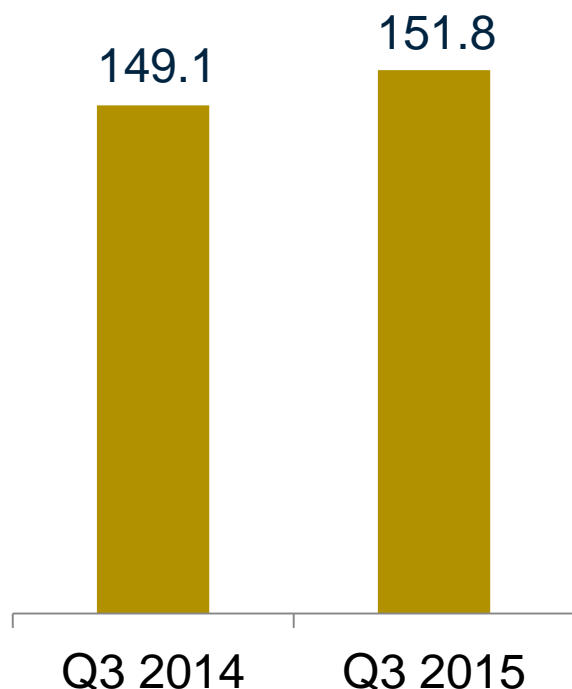
Our performance in Q3 2015

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1.8% organic revenue growth in Q3 2015

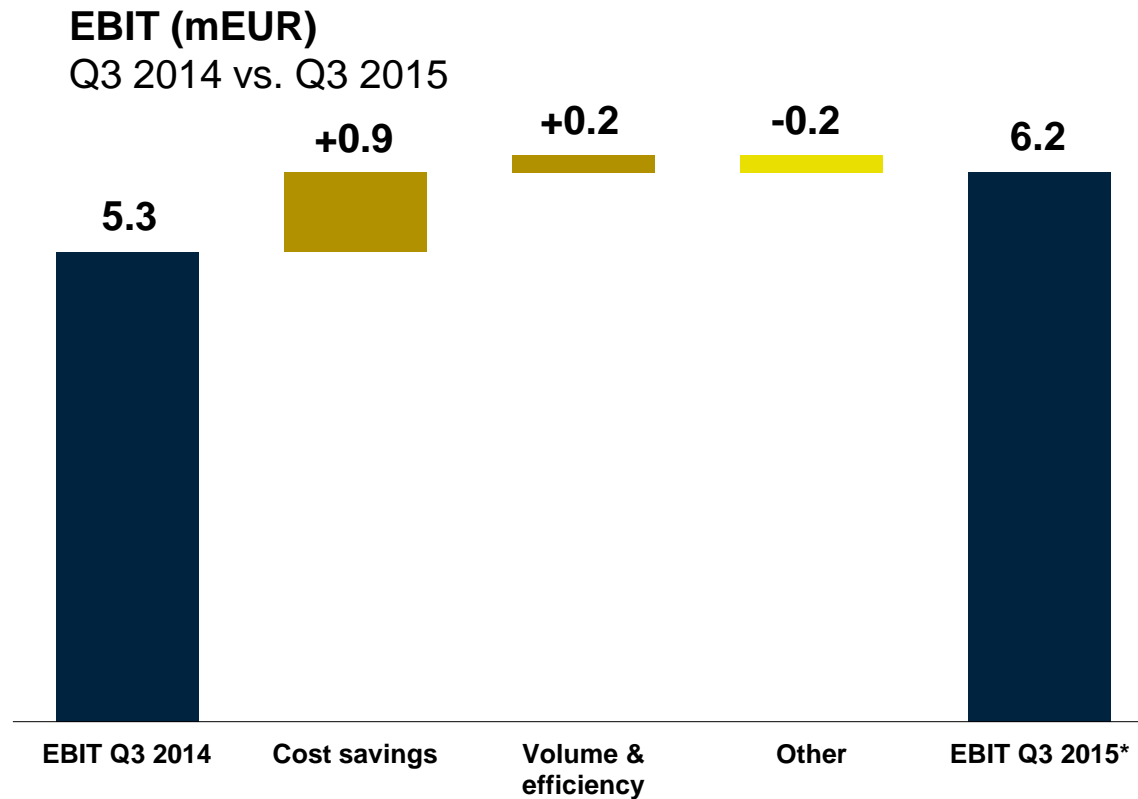
Organic revenue growth, Q3 2015 vs. Q3 2014

€m



- Revenue in Q3 2014 adjusted for currency effects (€+4.5m) and CMS divestments (€-1.4m)
- €2.7m organic revenue growth mainly driven by higher business volumes in North Europe. Transcom's previously disclosed decision not to bid for a renewed public sector client agreement in Italy had a €3.3 million negative impact on revenue in Q3 2015.
- We continue focusing our efforts on revenue growth, targeting at least 5% organic growth

EBIT margin in Q3 2015, excluding non-recurring items, improved to 4.1%* from 3.6%



* Excludes €1.0m provision for class action lawsuit in North America

EBIT margin increase primarily driven by performance improvement in the North Europe region

	2015 Jul-Sep	2014 Jul-Sep
EBIT margin		
North Europe	5.5%	5.0%
Central & South Europe	2.6%	2.3%
Iberia & Latam	0.5%	0.9%
North America & AP	6.7%**	5.2%
Total CRM	4.1%**	3.5%
CMS*	n/a*	13.0%
Total	4.1%**	3.6%




* Divested since Q3 2014

** Excluding non-recurring items

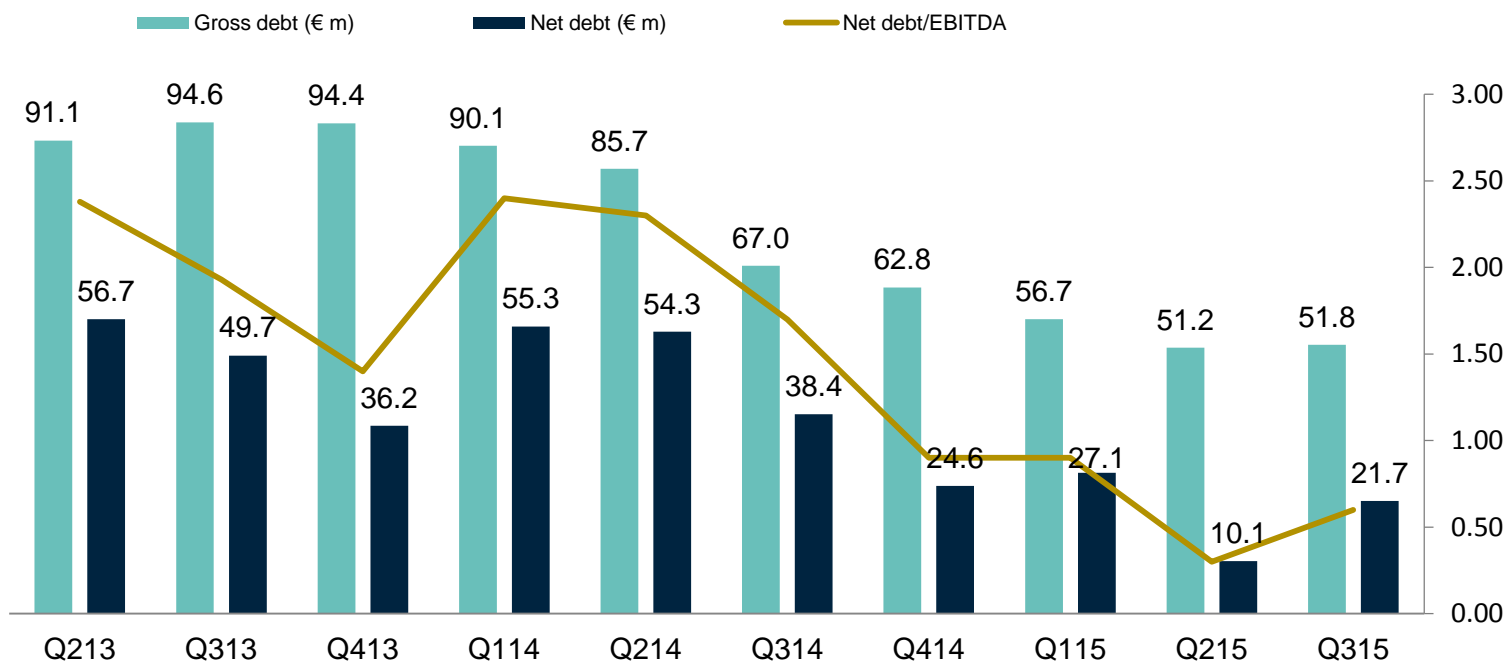
- **North Europe:** Growth in the Baltics, the Netherlands, the interpretation business (Transvoice) and the Danish collections business
- **Central & South Europe:** Slight improvement despite decision not to bid for renewed public sector agreement in Italy
- **Iberia & Latam:** Lower volumes Spain and Colombia, and lower prices on some client projects in Spain. Improved profitability in Chile and Peru.
- **North America & Asia Pacific:** Increased efficiency and cost savings.

Key drivers to reach mid-term profitability targets

KPIs vs. previous year

	Trend vs. Q3 2014	Q3 2015 vs. Q3 2014
Average seat utilization ratio		87% vs. 88%
Average Efficiency ratio (billable over worked hours)		n/a - improved efficiency
Monthly staff attrition		n/a – slight increase

Debt & leveraging



- Gross debt increased slightly by €0.6m compared to the Q215 level
- Net Debt increased by €11.6m compared to the Q215 level (temporarily strong collections at the end of June 2015)
- Net Debt/EBITDA ratio: 0.6 (0.3 in Q215)

Going forward – Transcom's strategic direction

3

Transcom's strategic priorities



GROW TOGETHER WITH OUR CLIENTS, WHILE CREATING A MORE BALANCED INDUSTRY AND CLIENT PORTFOLIO

CONTINUOUSLY IMPROVE OUR SERVICE OFFERING, FOCUSING ON ADVANCED, VALUE-ADDED SERVICES



STRENGTHEN TRANSCOM'S GLOBAL FOOTPRINT

COMPETITIVE OPERATIONAL PLATFORM



The industry is transforming

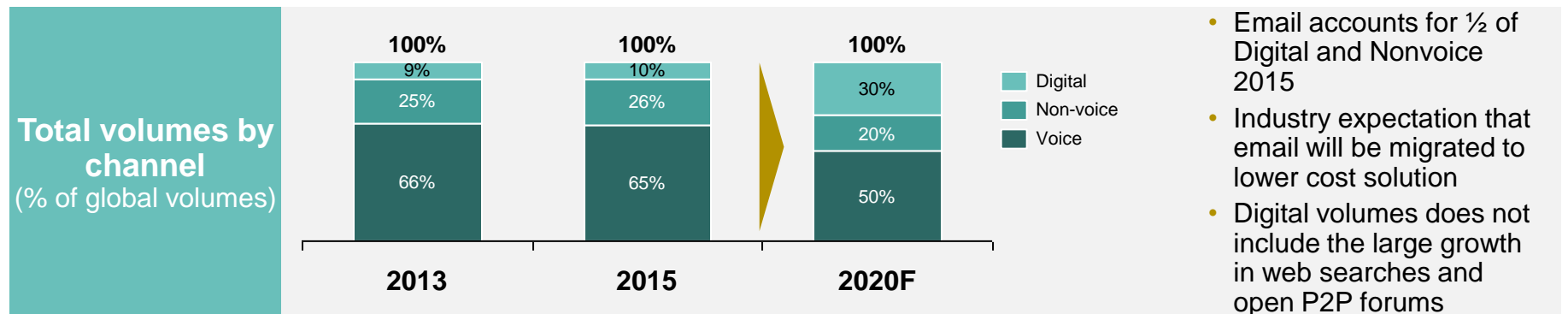
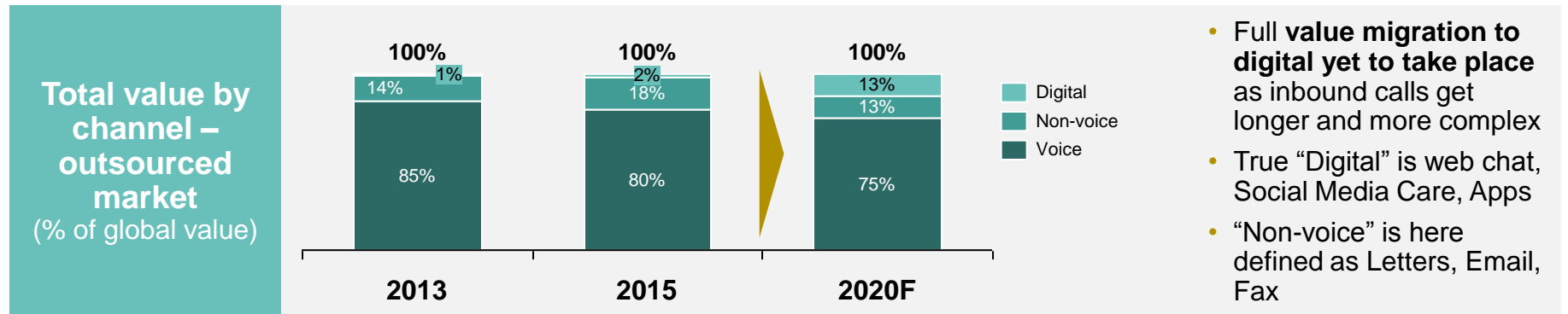


Respond to voice calls from customers as efficiently as possible, at the lowest possible cost

- Deliver excellent customer experience
- New channels and technology platforms
- Offer more knowledge due to diversity of products and greater customer demands
- Generating a much higher degree of revenue and brand loyalty to clients
- Feedback of customer intelligence to clients

Significant volume shift towards digital channels over next 3-5 years, while outsourced value of digital grows more slowly

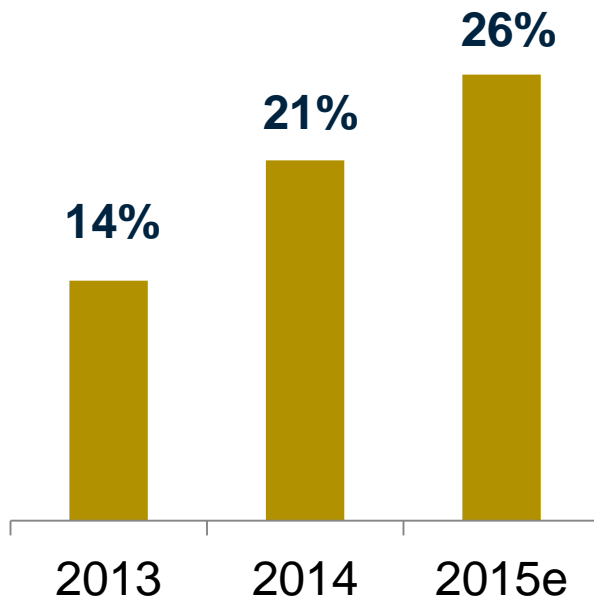
Channel mix¹ (2013-2020F)



1. Email is included under “Non-voice” category
Source: Dimension Data; Expert interviews; A.T.Kearney

Transcom continues to increase its delivery of non-voice services

Share of non-voice services % of Transcom's revenue



- Focus on expanding non-voice services with major clients in several geographies
- Increase in worked non-voice minutes with major clients
- Increased requirements for chat

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Thank you!

Questions?

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