20 October 2016

Transcom
Third quarter 2016 results presentation

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Outstanding
Customer
Experience

Transcom

At a glance

1

Transcom in numbers

- A global **customer experience** specialist…
- **…**employing **30,000** people…
- …representing more than **100** nationalities...
- …operating **53** contact centers, onshore, off-shore and near shore…
- **…in 21** countries…
- …delivering services in **33** languages...
- …generating €626.5 million revenue in 2015…
- …with a market cap of **SEK 1.6 billion** as at September 30, 2016. Listed on Nasdaq Stockholm (Mid Cap segment) under ticker TWW.

Transcom offers clients the opportunity to variabilize their cost structure and focus resource deployment

Transcom’s value proposition to its clients

Specialized competence

- **Specialized** cross-client and –industry capabilities that can be difficult to replicate in in-house environments
- Help boost **customer satisfaction,** fuel **topline growth** and **reduce churn**
- Opportunity to leverage **purchasing scale**

Resource optimization

- Need for companies to focus efforts on **core activities** and processes where in-house capabilities can yield competitive advantage (e.g. R&D, product development and launch)
- **Reduced complexity** in support functions

Reduce and flexibilize cost base

- Buyers are looking to **reduce fixed cost base** and capital intensity
- Outsourcers are able to **handle volatile demand side** more efficiently
- On top of more flexible capacity, buyers can reduce property costs and more quickly relocate to more cost competitive locations

Risk reduction

- Through structuring of the commercial relationships, buyers can **transfer** part of their **risk to outsourcers** (e.g. contingent fees/ higher share of bonuses for meeting KPIs)

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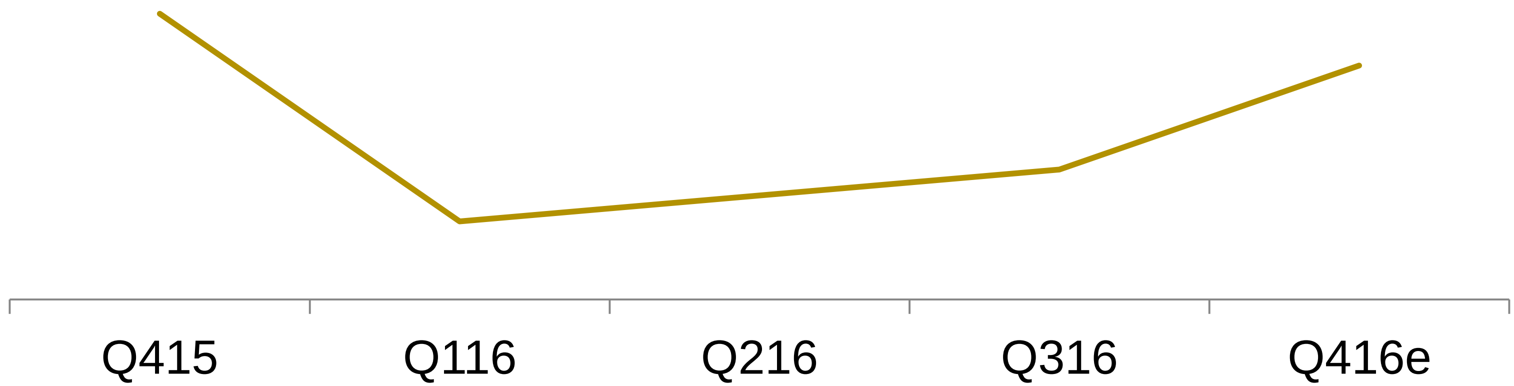
What happened in the first three quarters of 2016? Managing volume volatility in our industry is key

Seat capacity utilization development, English-speaking markets & APAC



- **Q116:** Unanticipated volume dip in Q1, mainly due to a client's decision to move some volumes onshore. No clients were lost.
- **Q216:** Focus on filling free capacity with new business. Opportunities discussed and negotiated with several clients, mainly installed base clients.
- **Q316:** Recruiting, training of agents and ramp-up of new business volumes with several clients.
- **Q416e:** Continued ramp-up of new volumes, with expected positive impact on capacity utilization.

Focus on growth and broadening our client base, enabling better management of the inherent volatility in the business.

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Q3 2016 financial performance

2

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Key highlights Q3 2016

- After a challenging first half of the year, Transcom's EBIT margin showed a significant improvement in the third quarter.
  - EBIT margin in Q3 2016 was 5.3%, compared to 3.5% in Q3 2015 (4.0% excluding non-recurring items).
- After a temporary decrease in the first two quarters of the year, our efforts to win new business started to yield good results during the third quarter in terms of a better utilization of available capacity.
  - Good momentum in terms of new client wins and business development with existing clients, not least in the English-speaking markets & APAC region, where we have secured significant additional business with several clients.
- Group-wide operational excellence program started to yield improvements in the third quarter.
- Realignment of our regional and management structure is yielding improvements. Annual cost savings €2.9m, taking full effect in Q4 2016.

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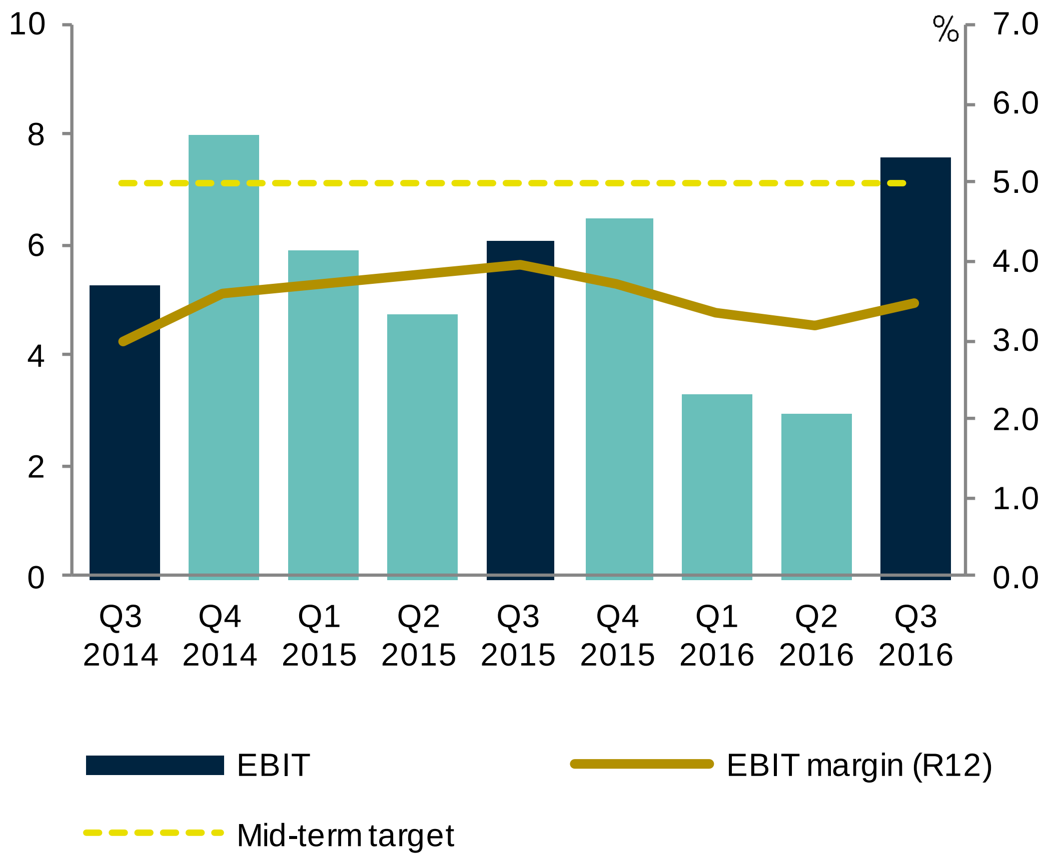
Our most fundamental and prioritized goal at the moment is to increase the EBIT margin towards our mid-term target

12-month rolling EBIT* margin development



* Excluding non-recurring items

- Negative trend seen in Q1 and Q2 2016 was driven by soft volumes
- Capacity utilization improved during the quarter, with further improvements expected in Q4
- Group-wide operational excellence program starting to yield good results
- Consolidation of regional and management structure is yielding cost savings

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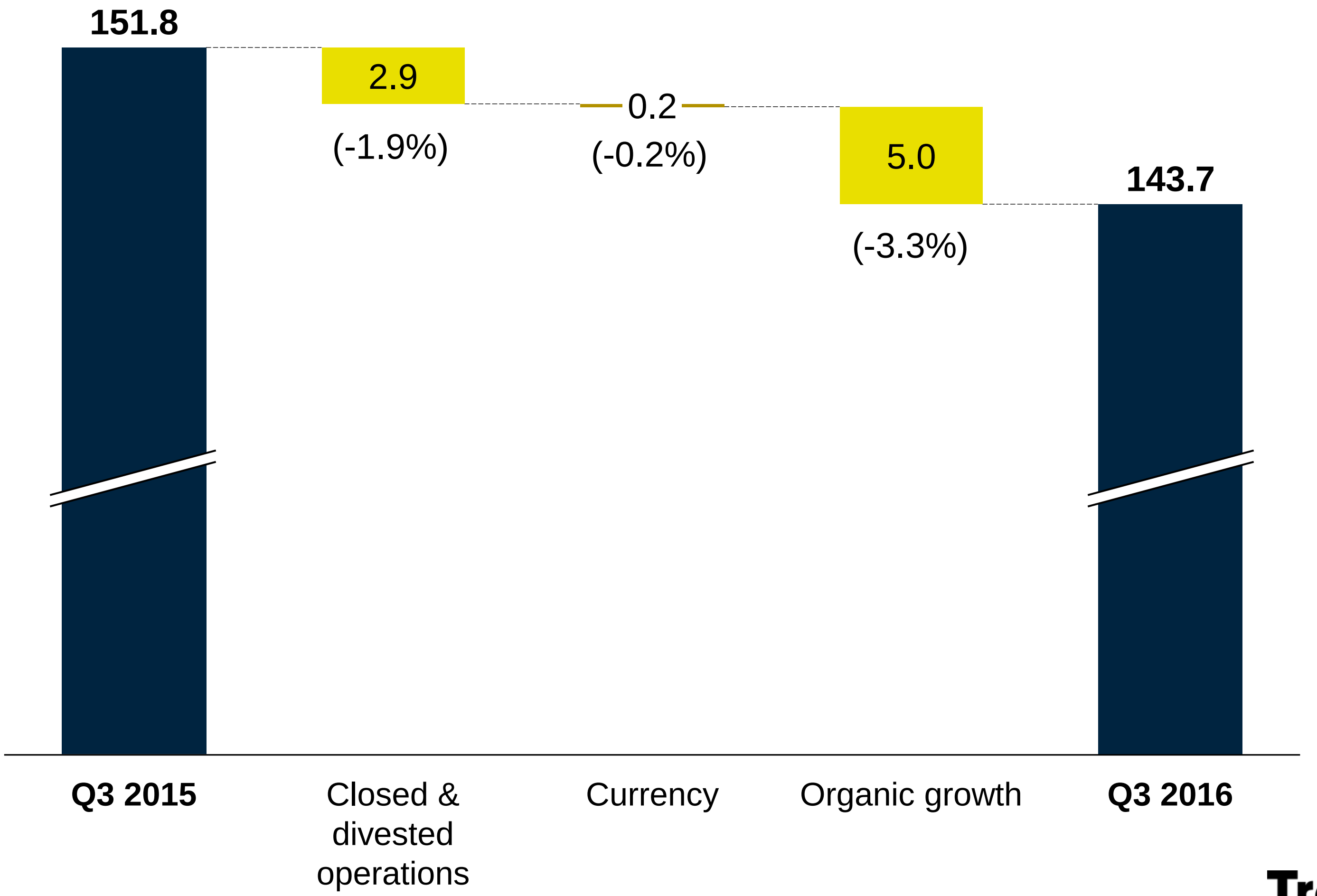
Organic revenue decreased by 3.3% in Q3 2016 (reported revenue decreased by 5.3%)

Revenue (mEUR)
Q3 2015 vs. Q3 2016



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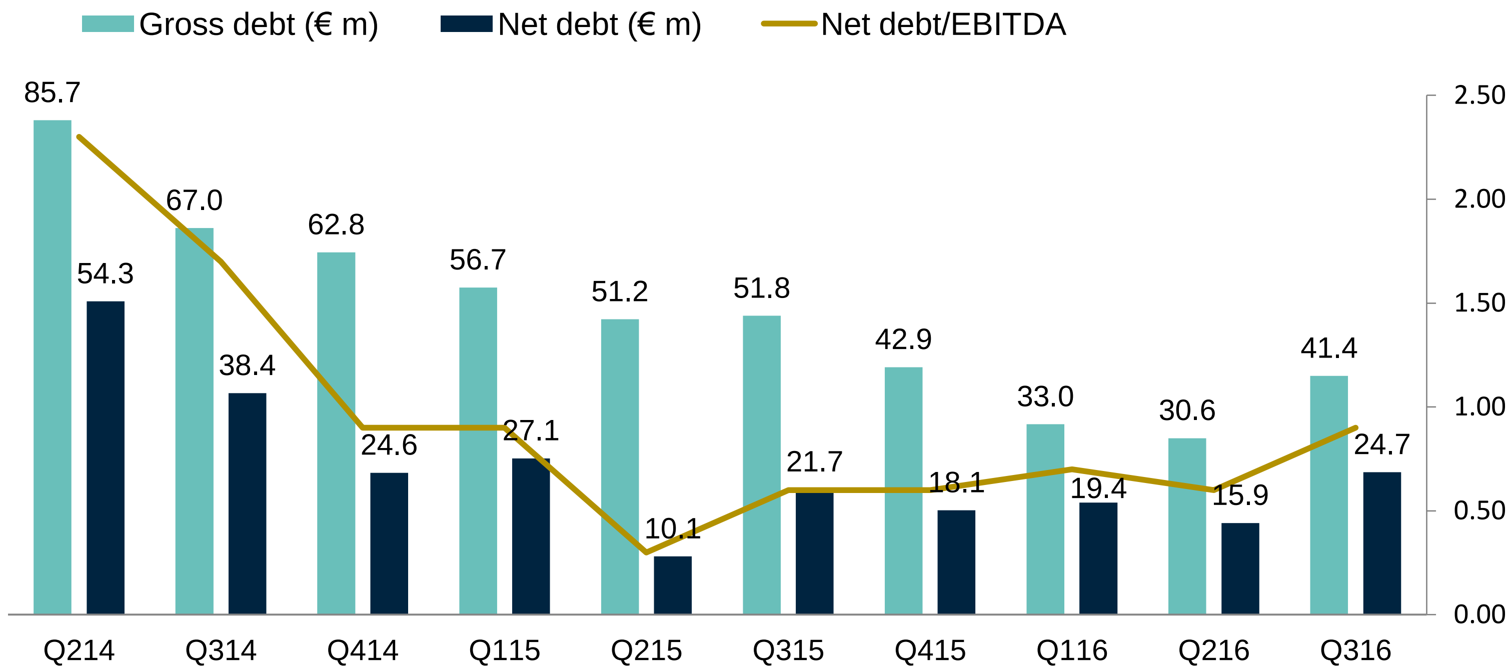
Significant EBIT margin improvement in Q3 2016

	Q3 2016	Q3 2015
EBIT margin		
North Europe	**6.1%**	**5.5%**
Continental Europe	**5.4%**	**3.3%**
English-speaking markets & APAC	**4.7%**	**6.0%**
Latin America	**-1.0%**	**-26.7%**
Total	5.3%	4.0%

- **North Europe:** Higher efficiency , partly seasonal and partly due to implemented measures. Improved profitability in Norway.
- **Continental Europe:** Cost savings from regional realignment, one-time price adjustment relating to Italian client.
- **English-speaking markets & APAC:** Lower capacity utilization compared to Q3 2015. However, the trend is positive after a temporary decrease in the first two quarters of the year.
- **Latin America:** Volume increases and efficiency improvements. Closure of Colombia.

Debt & leveraging



- Gross debt increased by €10.8m compared to the Q216 level
- Net debt increased by €8.8m compared to the Q216 level
- Net Debt/EBITDA ratio: 0.9 (0.6 in Q216)

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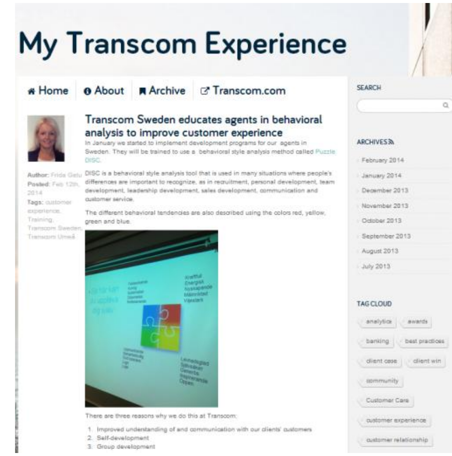

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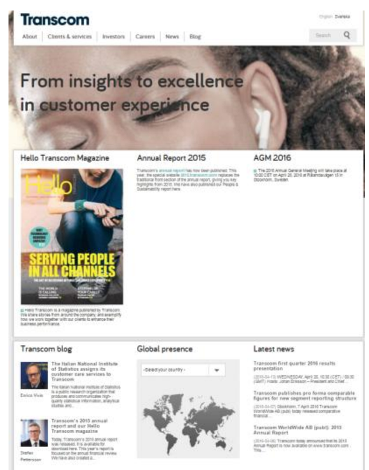

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Thank you!

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