

8 February 2017

Transcom

Fourth quarter 2016 results presentation

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Outstanding
Customer
Experience

Transcom

At a glance

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Transcom in numbers

- A global **customer experience** specialist...
- ...employing **29,000** people...
- ...representing more than **100** nationalities...
- ...operating **52** contact centers, onshore, off-shore and near shore...
- ...**in 20** countries...
- ...delivering services in **33** languages...
- ...generating €586.1 million revenue in 2016...
- ...with a market cap of **SEK 2.3 billion** as at December 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)

Q4 2016 financial performance

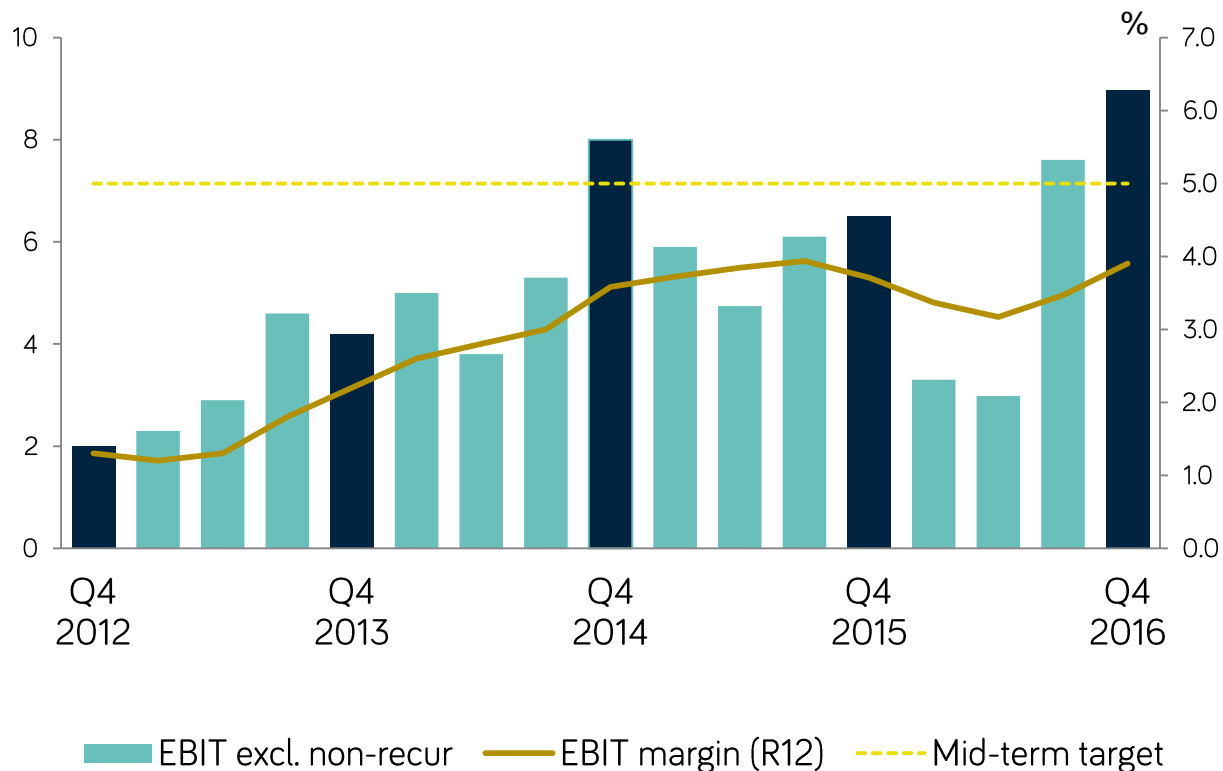
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Key highlights Q4 2016

- After a challenging first half of 2016, with an unexpected temporary volume drop in the English-speaking markets & APAC region, as well as soft volumes in the telecom sector in North Europe, our results have significantly improved.
 - Fast-improving utilization of available capacity in the English-speaking markets & APAC region, as a result of winning new business volumes.
 - In Europe, solid growth with clients in other sectors has compensated for lower telecom volumes.
- Our EBIT margin in Q4 2016 was 5.8%, compared to 2.6% in Q4 2015 (4.1% excluding non-recurring items). EBIT margin in the July – December period was 5.5%.
 - Higher efficiency and cost savings in Europe and new business in the English-speaking markets & APAC region.
 - Realignment of our regional and management structure, yielding €2.9m in annual cost savings, was fully implemented in Q4 2016.

The positive EBIT margin trend seen last quarter continued into Q4

12-month rolling EBIT* margin development



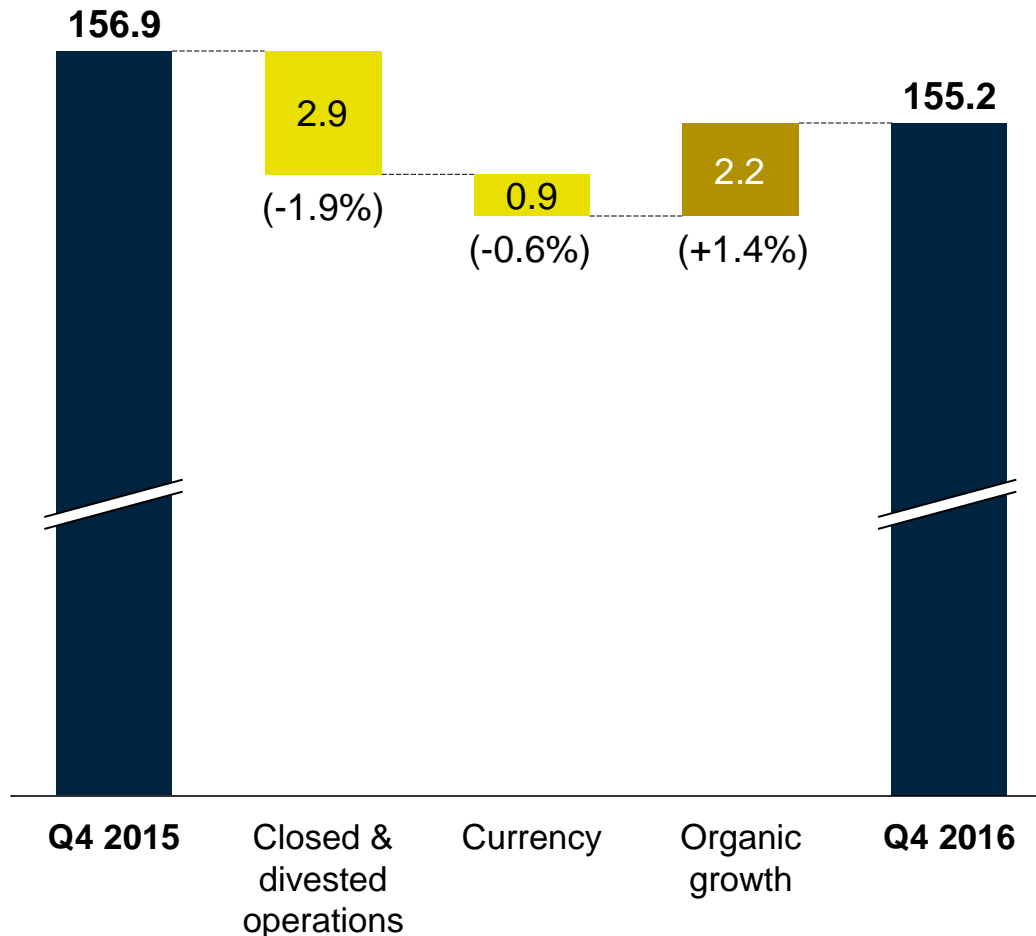
- Higher efficiency and cost savings in Europe and new business in the English-speaking markets & APAC region
- Cost savings from consolidation of regional and management structure
- We are within reach of our target to generate an annual EBIT margin of at least five percent (July – Dec EBIT margin was 5.5%)

* Excluding non-recurring items

Organic revenue increased by 1.4% in Q4 2016

Revenue (mEUR)

Q4 2015 vs. Q4 2016



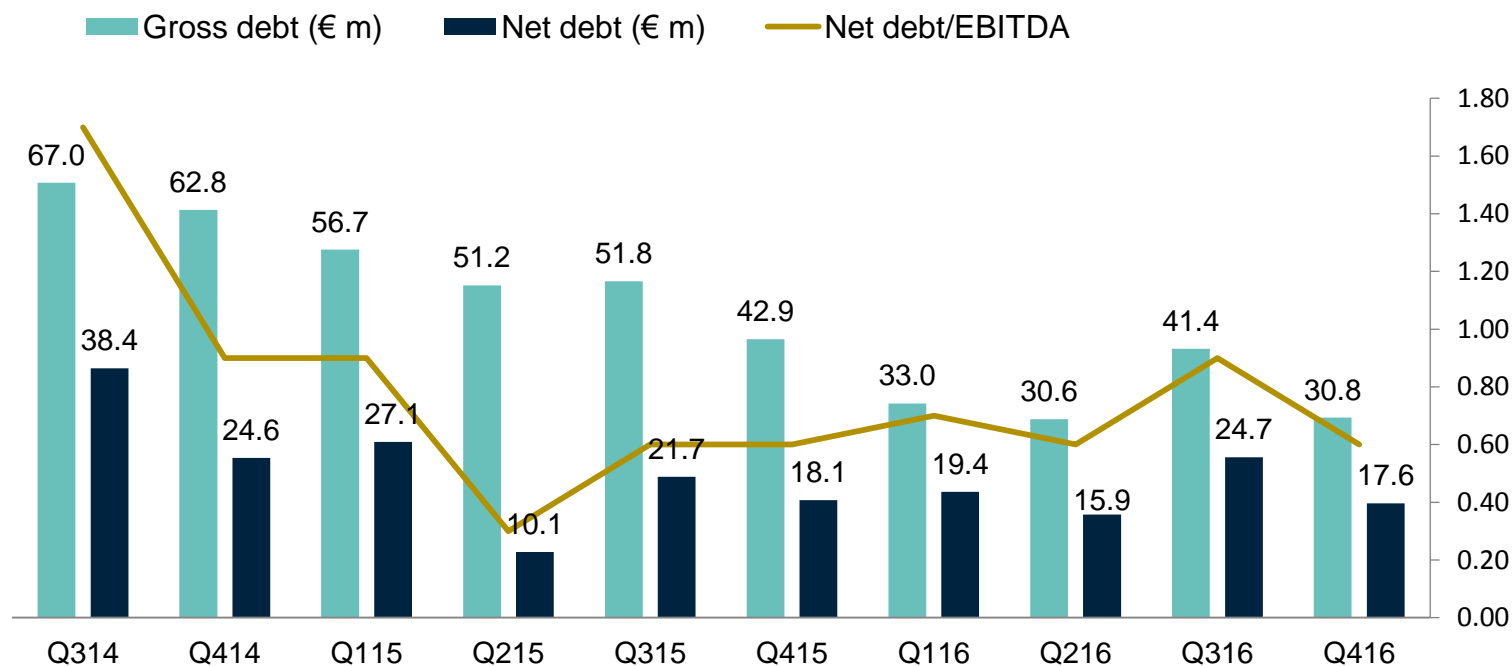
- Capacity utilization in the English-speaking markets & APAC region continued to improve compared to the first two quarters of the year
 - We are ramping up new business with several clients
- In Europe, solid growth with clients in other sectors compensated for lower volumes with telecom clients compared to last year

Significant EBIT margin improvement in Q4 2016

	Q4 2016	Q4 2015
EBIT margin		
North Europe	7.9%	5.5%
Continental Europe	4.5%	2.2%
English-speaking markets & APAC	5.3%	6.9%
Latin America	5.7%	-15.4%
Total	5.8%	4.1%

- **North Europe:** Higher efficiency and cost savings.
- **Continental Europe:** Cost savings from regional realignment and efficiency enhancements, mainly in Germany.
- **English-speaking markets & APAC:** We are not yet back to the same capacity utilization level as in Q4 2015. However, the trend is very positive with a fast-improving capacity utilization compared to the first three quarters of 2016.
- **Latin America:** Volume increases and efficiency improvements.

Debt & leveraging

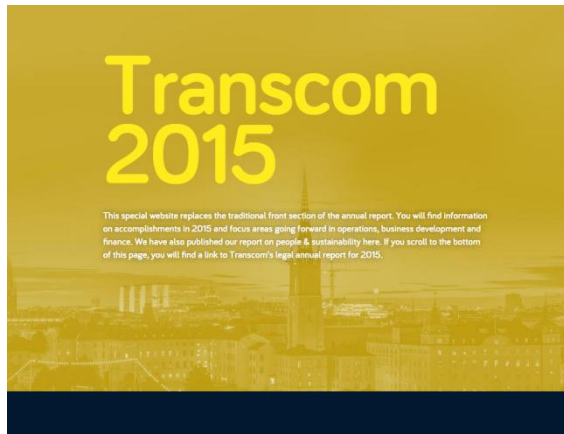


- Gross debt decreased by €10.6m compared to the Q316 level
- Net debt decreased by €7.1m compared to the Q316 level
- Net Debt/EBITDA ratio: 0.6 (0.9 in Q316)

Public cash offer to the shareholders of Transcom

- On December 21, 2016, Altor AB announced a public cash offer to the shareholders of Transcom to transfer all of their shares in Transcom to Altor.
- Altor offers SEK 87.50 in cash per share in Transcom, corresponding to a total value for all outstanding shares in Transcom of SEK 2,294 million.
- Transcom's independent Bid Committee unanimously recommends that the shareholders of Transcom accept the offer.
- The acceptance period for the offer commenced on January 16, 2017 and will expire on or around February 21, 2017, subject to any extensions.
- Altor has stated that they support Transcom's strategy. If the shareholders accept the offer, Altor is planning to accelerate the implementation of some activities, increase investments to support digitalization and also make targeted acquisitions.
- More information about Altor's offer can be found on altor.com/transcomoffer

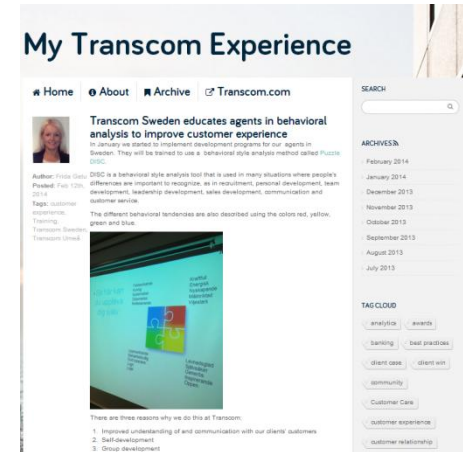
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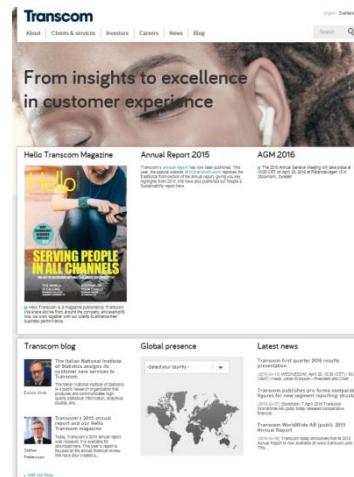
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Thank you!

Questions?

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