

## Press release

November 17, 2022

## Transcom Holding AB (publ): Third quarter report 2022

### Third quarter 2022 highlights

- **Revenue** increased to 177.5M€ (153.5)
- **EBITDA** excluding non-recurring items increased to 23.0M€ (17.5)
- **EBITDA margin** excluding non-recurring items increased to 13.0% (11.4%)
- **Operating cash flow** amounted to 12.2M€ (-1.5)
- **Net debt/EBITDA** amounted to 3.7 (4.1)

### January-September 2022

- **Revenue** increased to 525.9M€ (447.8)
- **EBITDA** excluding non-recurring items increased to 62.9M€ (48.7)
- **EBITDA margin** excluding non-recurring items increased to 12.0% (10.9%)
- **Operating cash flow** amounted to 27.5M€ (17.7)

### Comments by the CEO

#### *Solid growth and increased profitability*

Transcom continues on a positive trajectory in the third quarter, with solid organic growth and increased profitability. Revenue in the third quarter increased 15.7%, of which 9pp organic. EBITDA increased to 23.0 MEUR (17.5), and the EBITDA margin increased to 13.0% (11.4%).

The growth was driven primarily by clients in the eCommerce & Tech sector and in the Service & Utilities sector, and the profitability improvements are attributable to clients in Services & Utilities sector within the European segment.

The growth is supported by winning new contracts, both with new and existing clients, which gives us a strong foundation into next year as well. We remain confident in the megatrends supporting Transcom's business, with physical consumer interactions shifting to online channels, hence increasing the demand for Transcom's services. However, the macroeconomic situation impacts the short-term outlook. We have very limited client losses but we are facing a slow down within existing contracts primarily in the eCommerce & Tech sector, as discretionary customer spending is challenged.

The macroeconomic situation also brings opportunities for Transcom, as clients are looking at ways to decrease and variabilize their cost base. We experience an increased demand from first time outsourcers and an increased demand for near/offshoring and digital solutions. To meet our clients' needs, we have expanded our capacity in Skopje in Northern Macedonia, and Tuzla in Bosnia.

During the quarter, Transcom was recognized by the analyst firm ISG as a Global Leader in digital Customer Experience operations and work-at-home services.

# Transcom

We continue to execute the cost optimization program launched in the second quarter, aiming to adjust our delivery to an increased share of permanent Work-At-Home and to further increase our internal efficiency. The program is on track to deliver annualized savings of 10 MEUR by January 1, 2023, compared to the run rate cost of the first quarter 2022.

We remain committed to our strategy of client focus and operational excellence, through strong culture and leadership. We continuously shift our portfolio towards eCommerce & Tech, near/offshore delivery, and digital solutions.

Although growth is likely to slow down in the short term, amid the uncertain macroeconomic development, we are entering the fourth quarter with positive momentum. We stand committed to our long-term targets of double-digit organic growth and 16% EBITDA margin.

Jonas Dahlberg, President & CEO

## Q3 2022 Financial Update Webcast

Transcom will host a live webcast on Thursday, November 17 at 9:00 CET. The presentation is available on <https://www.transcom.com/global/about-us/investor-relations>, direct link [here](#).

### Presentation details

Date/Time: Thursday, November 17, at 9:00 am CET

Registration link: <https://app.livestorm.co/transcom-holding/transcom-holding-ab-q3-2022-results-presentation>

*Important note: Please register via the link above at least 5-10 minutes prior the webcast in order to obtain the webcast link.*

### For further information, please contact

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### About Transcom

Transcom provides digitally enhanced customer experience (CX) services to some of the world's most ambitious brands. More than 300 clients globally, including disruptive e-commerce players, category redefining fintechs, and technology legends rely on us for on-, off-, and nearshoring services. Transcom's over 30,000 employees work in over 80 contact centers and work-at-home networks across 25 countries, creating brilliant experiences in customer care, sales, content moderation and backoffice services. We help our clients drive their brands forward, customer satisfaction up and operating costs down. For more information, visit [www.transcom.com](http://www.transcom.com).