

August 21, 2025

Q2 2025 Presentation



Transcom

Today's presenters



Brian Johnson
President & CEO



Snejana Koleva
CFO

Q2 2025 Overview

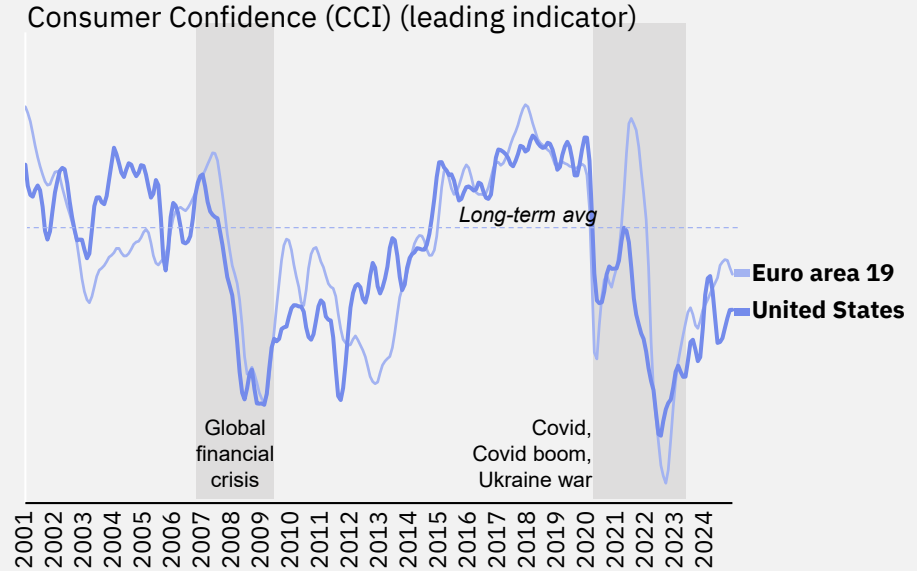
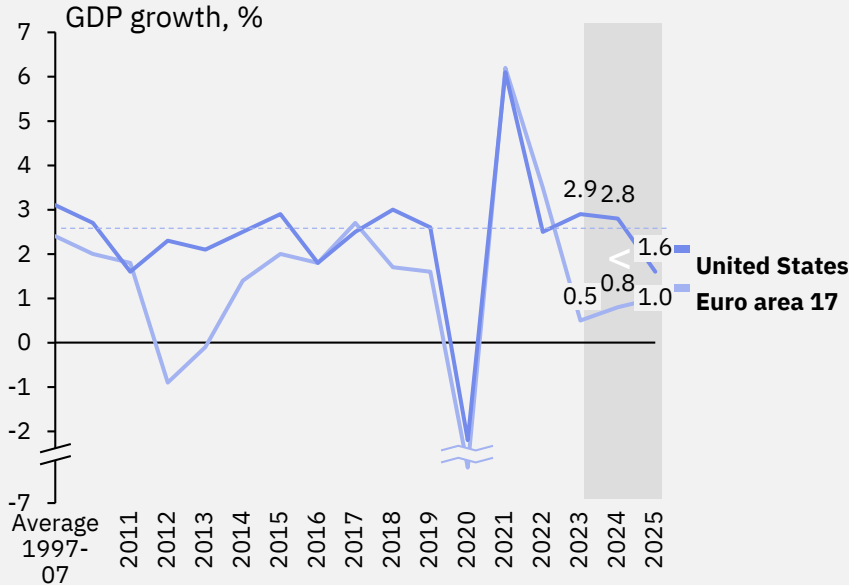


- **Revenue 175M€, Comparable organic growth of -0.9%**
 - New & existing client growth nearly offsets the negative impact from exited & terminated contracts
 - Strong sales wins and very low churn in 2025 so far build a solid foundation for growth
- **EBITDA excluding NRIs was €14.6 million (17.2) with a margin of 8.3% (9.6%*)**
 - EBITDA negatively impacted by reduction of volumes in Europe segment, and higher growth in onshore in the English-speaking segment
- **Market remains challenging** with slower decision-making process, and general uncertainty driving down consumer demand, however positive signs emerging
- Focusing on profitability and accelerating the execution of our strategy, Transcom has undertaken a **broad cost savings program** with run-rate impact of ca **10M** cost savings – including overhead reductions and further site reductions
- With the cost savings already under execution and ramp of new clients, especially in India, Egypt and the US, we expect positive development in EBITDA in the 2nd half of 2025, and overall positive development for the full year of 2025
- **We have increased our penetration** of advanced digital and AI solutions with existing clients, to **52%** up from **49%** in previous quarter, and 43% at the end of 2024. The increase is mainly driven by implementation of e.g. AI-based IVR, Agent training and Agent assist knowledge solutions

*Adjusted to exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. Impact has been adjusted in respective quarter in 2024. Adjustments per quarter vs previously reported are presented in Note 12 of the report

Market remains challenging due to uncertainty and weak underlying growth, but negligible impact on revenue of AI

General uncertainty driving down consumer demand and slower decision-making processes



Negligible impacts on revenue stemming from AI – many buyers are increasing investments in people-oriented solutions

”Gartner predicts **50% of organizations will abandon plans to reduce customer service workforce due to AI. Human agents reemerge as essential components in customer service strategies amid AI integration challenges**”

Gartner, June 2025



Today's agenda

Transcom overview and priorities

Q2 Financial performance

Financial targets and outlook

Transcom overview and priorities



Transcom – a digital-native company

We are a digital-native company, transforming our clients' customer experience and business processes by integrating human expertise with cutting-edge AI technologies.

Our commitment is to drive unparalleled value for our people, clients, and investors, through responsible and sustainable practices.

Customer care & technical support | Customer acquisition, sales & retention | Trust & safety | Compliance | Back office

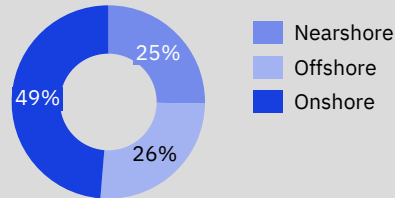
29 countries

85 sites

+30,000 people

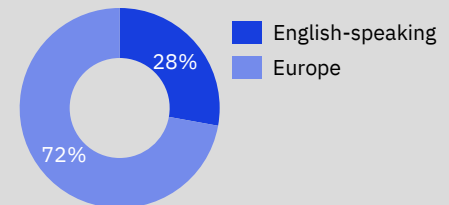
Shoring mix

Q2 2025 LTM Share of revenue

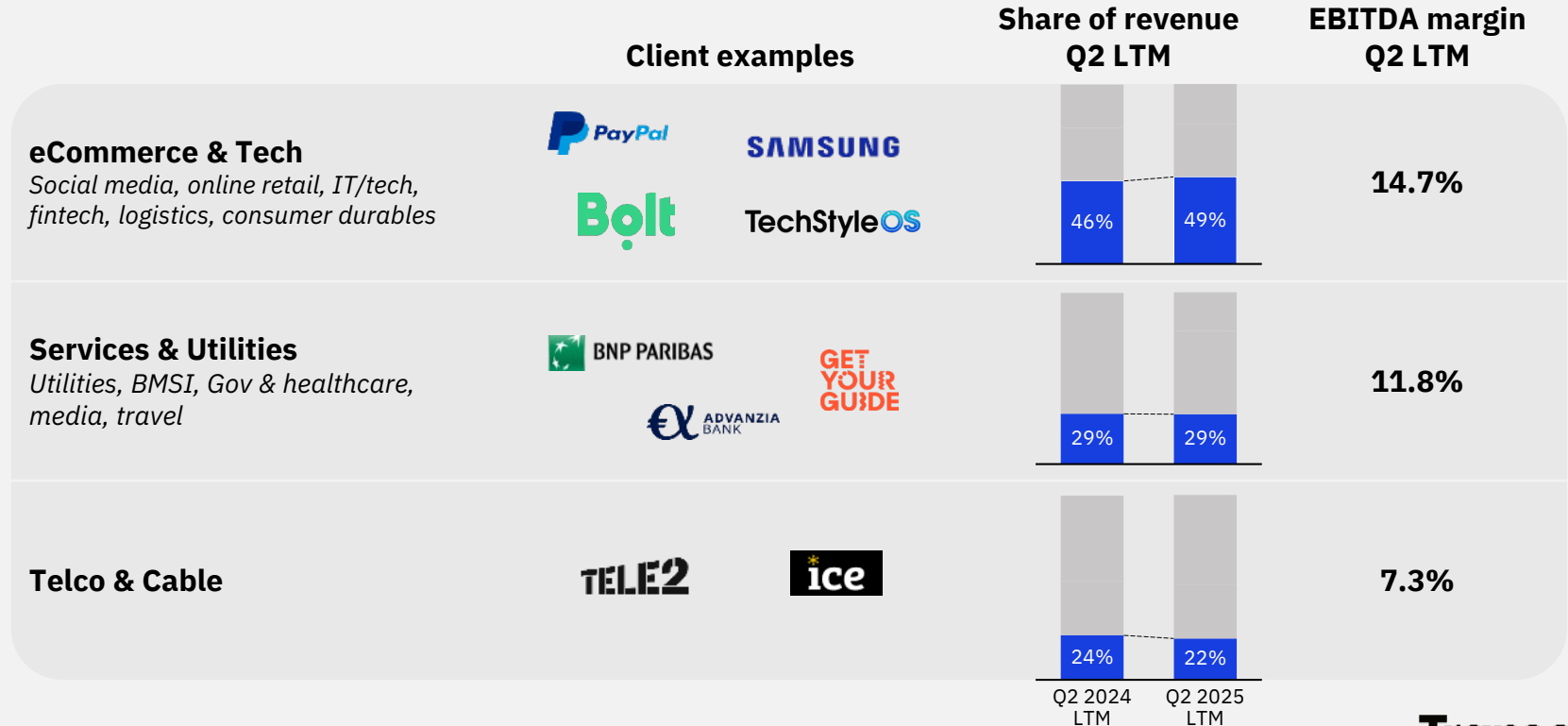


Regional mix

Q2 2025 LTM Share of revenue



Serving leading consumer brands across industries



Transcom strategy for profitable growth



Clients

Strong partnerships built on trust allowing for quality account management and business development, supported by best in class solution design



Markets

Invest in North America and prime European markets, focusing on growth industries and service lines, with digital and tech integrated solutions



Delivery

Grow near/offshore, enter new key delivery markets, optimize footprint, dissolve traditional borders to enable labor arbitrage independent of language



Operations

Perform beyond client expectations with top leadership talent, best in class processes and technology, global footprint, and domain expertise



People

Leverage latest technology and people platforms to recruit, retain, and develop the best CX talent at all levels of the organization



Digital transformation






Through digital transformation further efficiencies in our model to further increase our competitiveness by lowering base costs, offering sophisticated solutions and a commitment to reduction of TCO



Inorganic growth

Continue to pursue and acquire strategic assets that enhance our portfolio while increasing our digital and capabilities adjacent to our core offerings

Strategic Execution and Business Transformation continues

Clients 	Markets 	Delivery 	Operations 	People 
<ul style="list-style-type: none">✓ Excellent Client Satisfaction: 70 NPS, 94% CSAT✓ Strong sales performance despite challenging market:<ul style="list-style-type: none">- More won business H1 than full year 2024- 46 New logos✓ Industry recognition: QKS Group “Global CX Leader”	<ul style="list-style-type: none">✓ 52% Digital/AI penetration existing clients✓ Strategic Mix:<ul style="list-style-type: none">- Near/Offshore >50% of revenues- Non-Telco growth segments grew to 78% of revenues- Wins H1 63% Near/Offshore- Healthcare (wins up >50x Q2 YoY)✓ Investments in Sales	<ul style="list-style-type: none">✓ Expansions:<ul style="list-style-type: none">- Gurgaon, India- Continued expansion in New Cairo✓ Capacity Optimization to adjust for growth in WAH (~30% of HC) and shore migration (6000+ seats reduced in the past 2 years, ~25% of capacity)	<ul style="list-style-type: none">✓ Operational excellence: Improved YoY efficiency of 1.1% ppt✓ Creation of CoE for Shared Services in Egypt, India and Philippines✓ WFM: AI-powered digitization roadmap to elevate WFM from reactive operations to predictive✓ Client recognition for superior performance	<ul style="list-style-type: none">✓ New global Talent Management process✓ New HR Global People Service: quality, reduced cost, improved employee experience✓ Positive Retention trend during the year✓ “Great Place to Work” India

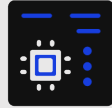
Digital Strategy Validated – Resilient CX Operations

AI-Driven CX at Scale



52% of our client programs now leverage advanced digital and AI solutions, marking a significant increase from the previous quarter

Internal Digital Proficiency & AI Adoption



Our AI Literacy program shows **80%** user engagement, giving our staff superpowers through general AI tools

Resilient Results Despite GenAI Hype



Contrary to predictions of disruption, our core CX delivery remains robust, with no erosion in client volume

Human + AI = CX Resilience

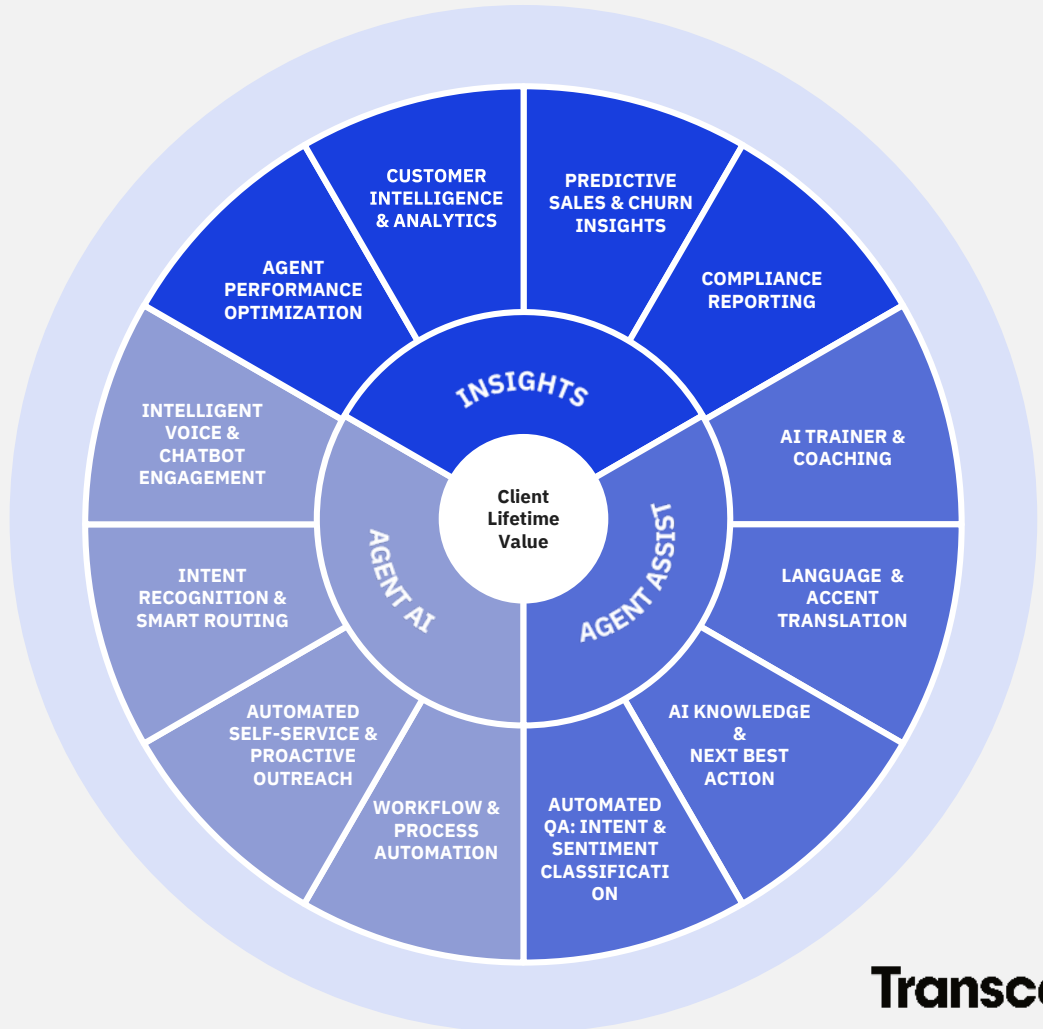


The integration of AI to augment human talent is proving effective, enhancing switching costs and further solidifying our position as an indispensable partner

Our AI technology portfolio

Our portfolio includes specific products tailored to each of the three key audiences that benefit from AI – clients, agents and customers

Around this, we take a CX advisory and transformation approach, ensuring that the technology we recommend and deploy aligns with our clients' goals



Strong momentum in wins of new business in H1 2025

Wins

101

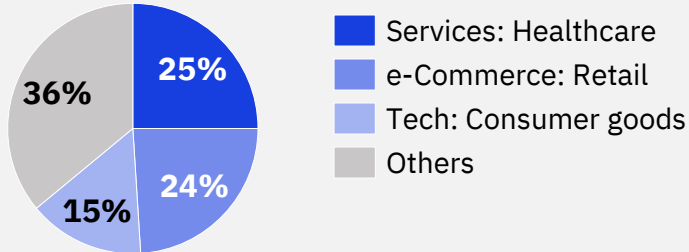
New Logos

46

Near/offshore

63%

By industry

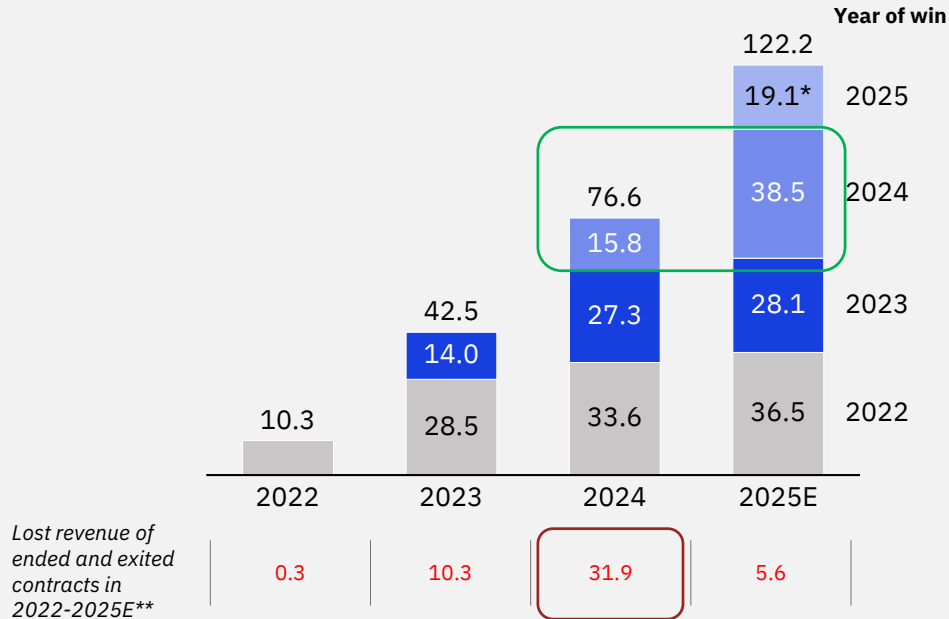


Client satisfaction

70 NPS
94% CSAT

New wins are the foundation of Transcom's growth and shoring transformation and offset the impact of exited contracts

Revenue from new logos over time by cohort, 2022-2025E, EUR M



- Successfully growing revenue with new clients and further expanding share of wallet, replacing the revenue lost due to exits/terminations in the last years
- Shoring mix is improving, as new sales are predominantly in Nearshore and Offshore, while exited and terminated contracts are primarily in Onshore – driving better profitability in new business

* In-year revenue of Wins by the end of Q2

** In-year revenue of the clients lost during the respective year

Notes: Cohort excludes all acquisitions, within the selected periods, temporary project and strategic exits. Cohort analysis does not include breakdown of Awesome and Xzakt clients in 2022-2023

Further strengthening our foundation to ensure long-term, sustainable, and profitable growth

Ongoing initiatives

- Operational excellence and digital enablement
- Expansions off/nearshore
 - Gurgaon, India
 - Pune, India
 - New Cairo, Egypt
- Site optimization
- Overhead optimization
- Strong sales delivery and solid momentum

Cost savings program launched

- Program to secure profitability improvement in 2025 and beyond
- 10MEUR full-year impact 2026
- Covering Overhead rightsizing, IT cost optimization, Site optimization

**Remaining two quarters of 2025
will reflect the benefits of these actions**

Financial performance

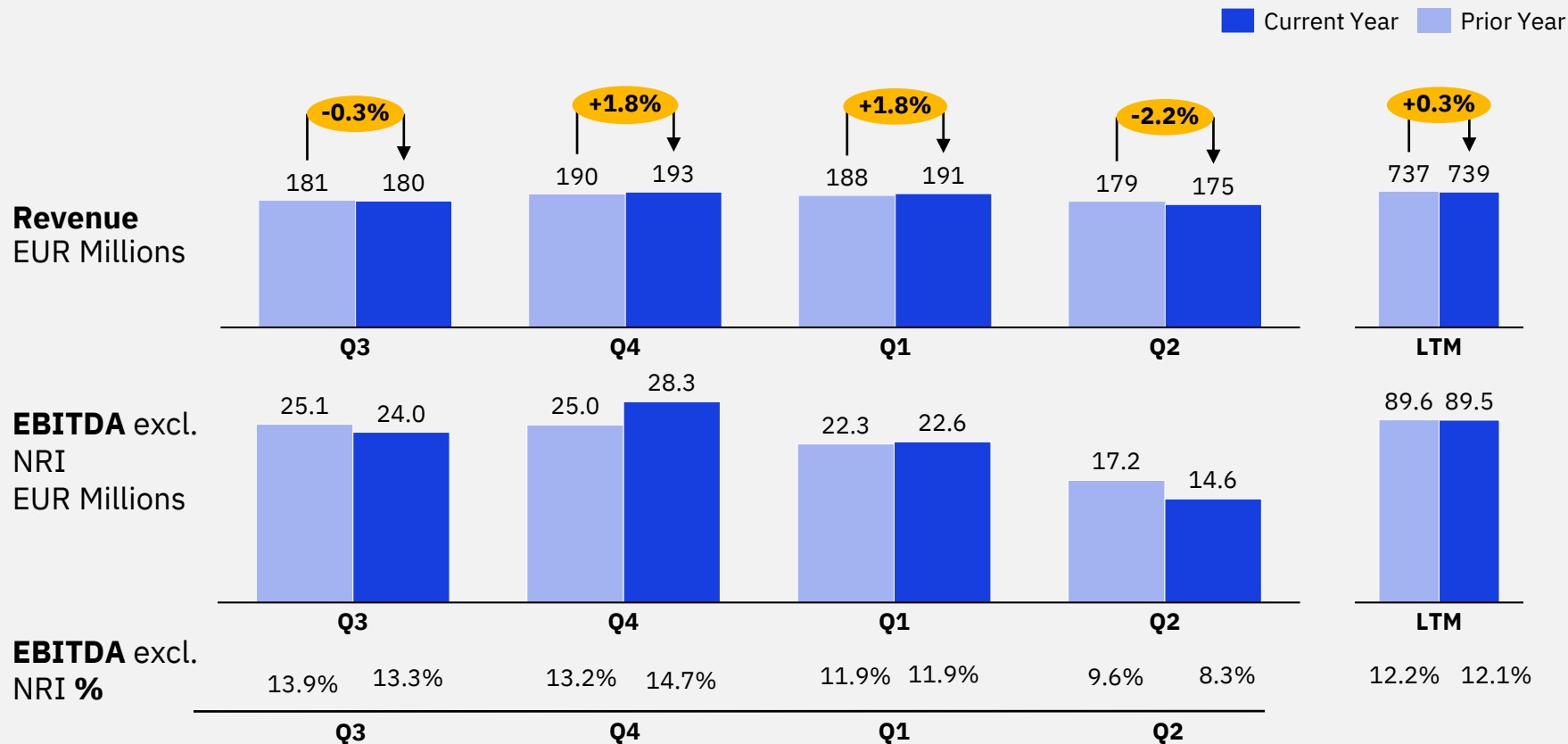


175M of revenue and 8.3% EBITDA Margin

- **Revenue** amounted to 175.4M€ (179.3*), representing organic growth of -0.9%
- **Q2 EBITDA ex non-recurring items** 14.6M€ (17.2*), Margin of 8.3% (9.6%*)
- **Net working capital** 61.4M€ (67.6), corresponding to 9.2% of revenue
- **Operating cash flow** 16.1M€ (6.2)
- **Non-recurring items** -8.7M€ (-5.7)
- **Net debt/EBITDA** of 4.3 (4.3)

^{*}Adjusted to exclude the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. Impact has been adjusted in respective quarter in 2024. Adjustments per quarter vs previously reported are presented in Note 12 of the report

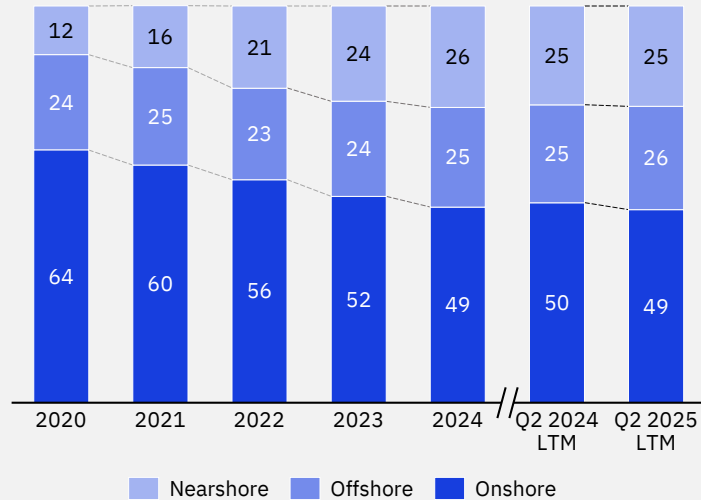
Stable LTM performance



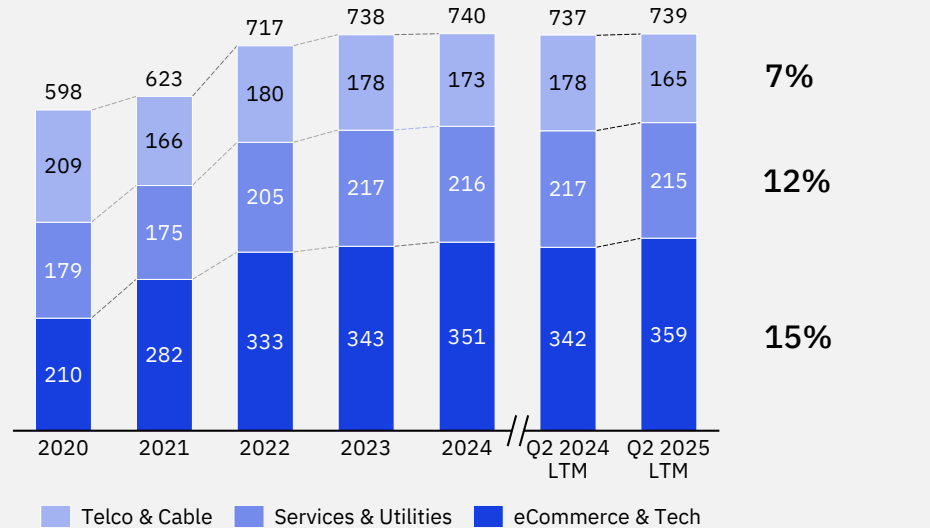
EBITDA and Revenue Q1-Q4 2024 excludes the impact from the Transcom German entities that filed for insolvency in the end of Q3 2024. Impact has been adjusted in respective quarter in 2024. Adjustments per quarter vs previously reported are presented in appendix and in Note 12 of the report

Shift towards favorable delivery mix and client sectors continues in line with strategy for long-term margin improvement

Share of Revenue by type of delivery, percent



Revenue by industry, EUR Millions



Europe segment impacted by ended contracts, while English is investing in growth

EUR Millions	2024 Q2	Exited business in Germany	2024 Q2*	Currency impact	Organic growth			2025 Q2
					New and existing clients	Ended contracts	Inorganic growth	
Revenue	180.7	-1.5	179.3	-2.3	4.7	-6.3	0.0	175.4
Growth %				-1.3%	2.6%	-3.5%	0.0%	-2.2%
Europe	132.2	-1.5	130.7	n.q.	1.1	-5.3	0.0	126.5
English	48.5		48.5	n.q.	1.3	-1.0	0.0	48.8

EUR Millions	2024 Q2	Exited business in Germany	2024 Q2*	Currency impact	Like-for-like comparison			2025 Q2
					Volume	Segment mix	Other	
EBITDA	16.8	0.4	17.2	0.6	-0.2	-0.1	-2.9	14.6
EBITDA %	9.3%	0.3pp	9.6%					8.3%
Sales investment							-0.7	
Europe								
EBITDA	9.5	0.4	9.9	n.q.	-0.3		-0.8	8.7
EBITDA %	7.2%		7.5%					6.9%
Sales investment							-0.3	
English								
EBITDA	7.4	0.0	7.4	n.q.	0.0		-1.5	5.9
EBITDA %	15.1%		15.1%					12.0%
Sales investment							0.1	

- Growth from New and existing clients offsets largely the impact from ended and exited business, but not to the full extent – particularly in the European segment

- Lower EBITDA with 2.6M on adjusted basis
 - Europe is impacted by the ended contracts compared to same period last year
 - English is impacted by higher share of onshore US business, as well investments in growth in India and US

Cost savings program initiated to secure profitability improvement in 2025

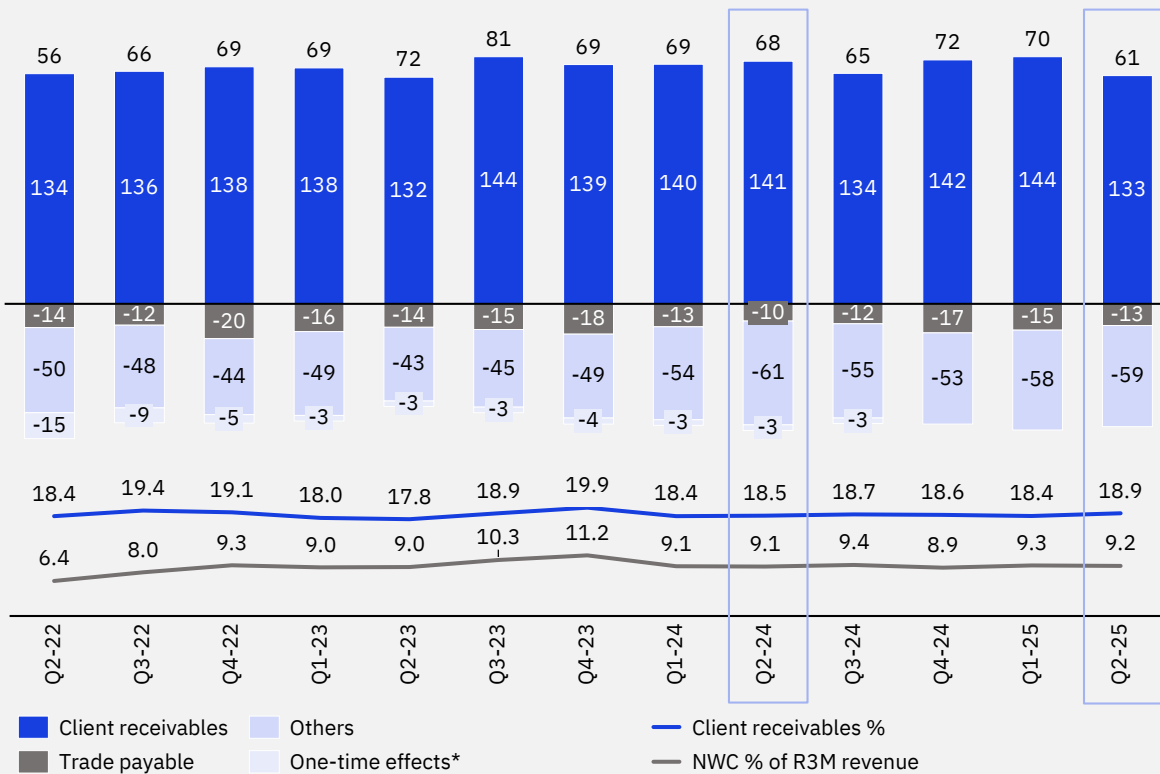
Cost savings program initiated across the company

- **6 MEUR** savings in cost base expected already in 2025 – not impacting the investments in growth needed to ramp up the new wins
 - Targeting further underutilized site capacity optimization primarily in Europe
 - Optimizing overhead ratios across the organization
- **10MEUR** full-year impact expected to be fully realized in 2026
- Total cost for the program would be **6 MEUR**, reported as Non-recurring items in Q2

- The investments in growth, specifically in offshore (India, Egypt) continue to secure continued profitable development into 2026

NWC and receivables decreased in Q2

EUR Millions



- Net working capital decreased compared to previous quarters in 2024 and Q1 2025
- Main driver for the decrease was client receivables due to the lower topline in Q2

Operating cash flow in Q2 improved as compared to 2024 Q2, due to the lower NWC

EUR Millions

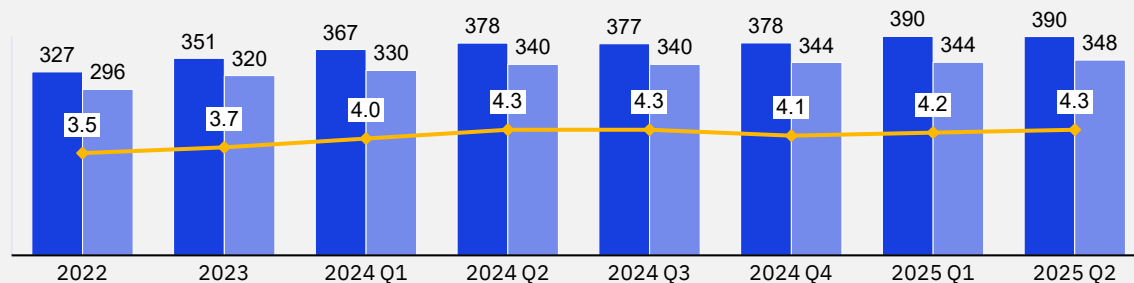
	2023	2024	2024 Q2	2025 Q1	2025 Q2
Operating cash flow before NWC changes	64.9	58.4	6.1	19.3	8.6
Changes in working capital	-2.3	-2.8	0.1	1.1	7.6
Operating cash flow	62.5	55.6	6.2	20.4	16.1
Investments/disposals	-22.0	-14.3	-2.9	-2.7	-2.5
Acquisitions/disposals of business, net of cash	-13.9	-3.1	-	-	-
Other	-0.5	-1.7	0.0	-0.1	0.8
Cash flow from investing activities	-36.2	-19.1	-2.8	-2.8	-1.7
Cash flow from financing activities	-20.0	-35.3	-15.1	-13.5	-11.9
Cash flow for the period	6.3	1.2	-11.8	4.1	2.6

- Operating cash flow 16.1M€ (6.2)
- Cash flow from investing activities - 1.7M€ (-2.8); the investments in Q2 are mainly in Tunisia, Philippines, US
- Cash flow from financing activities to -11.9M€ (-15.1) is mainly related to interest payments and lease liabilities
- Cash flow for the period in the quarter amounted to 2.6M€ (-11.8)

Net debt decreases in Q2

EUR Millions

Debt structure	Maturity	Outstanding balance				
		2022	2023	2024	Q1 2025	Q2 2025
Floating rate secured notes	Dec 2026	315.0	315.0	380.0	380.0	380.0
SSRCF incl. overdraft facility usage	June 2026	14.1	43.6	-	-	-
Lease liabilities		31.0	30.8	34.8	46.4	38.9
Other items incl. in net debt		-1.9	-2.6	2.7	4.7	7.0
Gross debt		358.2	386.9	417.5	431.2	425.9
Cash on balance		31.4	35.8	39.2	41.0	39.0
Net debt		326.8	351.1	378.3	390.2	386.9



■ Net debt

■ Net debt excl. Lease liabilities

— Leverage Net debt / Adj. EBITDA excl. NRI

- No loans drawn under the SSRCF - full repayment with the proceeds of the increased amount of the FRNs in Jan 2024
- Lease liabilities increased in Q1 with new lease agreements in Egypt, India and various extensions of existing contracts in Q1 2025; in Q2 lease liabilities decreased mainly due to amendments to contracts in Germany and Albania
- Factoring/SCF usage of 31.7 M

Non-recurring items

EUR Millions

Severance costs due to reorganizations



- Severance costs for managerial reductions related to reorganizations and cost optimization initiatives
- Typical payback less than 12 months
- 2025Q2 – Cost savings program initiated, with ca 150 HC impacted globally

Site closures and reductions



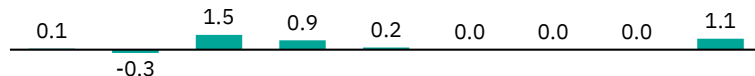
- Site capacity reductions – penalties or onerous leases
- 2023-2024 reduction of ~3900 seats – majority in the US, Netherlands, Spain, Germany, Croatia, Slovenia, with annualized cost savings of ca 3M€
- 2025Q1 – further reductions in Germany, Spain, Hungary
- 2025Q2 – cost savings program with further reductions in the Netherlands, Portugal, Germany

Other, e.g., legal costs, write offs of IT assets, etc.



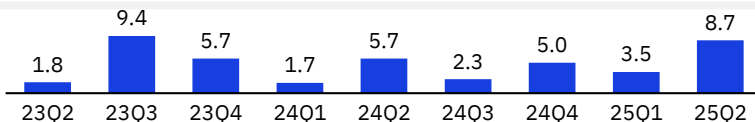
- 2024: IT legacy systems and duplicate links write offs, warrant issuance for Management Investment Program, Vacation allowance 2022-2023, Procurement program consulting support, costs for writing off insolvency impact (business and balance sheet), legal costs
- 2025Q1 – Legal costs related to Management Investment program update
- 2025Q2 – Cost savings program initiated

Transaction-related (M&A)



- Transaction-related fees and advisors' costs

Total



- **Q2 2025 LTM 19.5 (22.5)**

Summary



Solid foundation for growth and improved profitability in the coming quarters



Wins

101

New Logos

46

Ongoing initiatives

- Expansions off/nearshore Gurgaon and Pune, India, New Cairo, Egypt
- Operational excellence

Cost savings

- 10MEUR full-year impact 2026
- Overhead rightsizing, Site optimization, IT cost optimization

Appendix

Quarterly development by segment

EUR Millions

		Revenue			EBITDA excl. NRI			EBITDA Margin, %		
		Q2 24*	Q2 25	Change	Q2 24*	Q2 25	Change	Q2 24*	Q2 25	Change
Sector	eCommerce & Tech	83.0	80.4	-3.1%	9.3	8.8	-0.5	11.2	11.0	-0.3pp
	Services & Utilities	52.7	56.8	7.7%	4.9	4.7	-0.2	9.2	8.3	-0.9pp
	Telco & Cable	43.6	38.2	-12.4%	3.0	1.1	-2.0	6.9	2.8	-4.2pp
Region	Europe	130.7	126.5	-3.2%	9.9	8.7	-1.1	7.5	6.9	-0.7pp
	English-speaking	48.5	48.8	0.6%	7.4	5.9	-1.5	15.1	12.0	-3.1pp
TOTAL		179.3	175.4	-2.2%	17.2	14.6	-2.6	9.6	8.3	-1.3pp

Adjustments Q1-Q4 2024 related to the business in insolvency

EUR Millions

	Revenue			EBITDA excl. NRI			EBITDA Margin, %		
	Reported 2024	2024 Adjusted*	Change	Reported 2024	2024 Adjusted*	Change	Reported 2024	2024 Adjusted*	Change
Q1	189.1	187.5	-1.6	21.9	22.3	0.4	11.6%	11.9%	0.3pp
Q2	180.7	179.3	-1.5	16.8	17.2	0.4	9.3%	9.6%	0.3pp
Q3	181.7	180.2	-1.6	23.8	24.0	0.1	13.1%	13.3%	0.2pp
Q4	193.0	193.0	0.0	29.2	28.3	-0.9	15.1%	14.7%	-0.5pp
FY 2024	744.6	739.9	-4.6	91.8	91.8	0.0	12.3%	12.4%	0.1pp

Transcom

