



Teleperformance

Transforming Passion into Excellence

*Agreement by Teleperformance to
acquire LanguageLine Solutions*
CONFERENCE CALL

August 22, 2016

Shaping the
FUTURE

- *All forward-looking statements are Teleperformance management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. For a detailed description of these factors and uncertainties, please refer to the section "Risk Factors" section of our Registration Document, available at www.teleperformance.com. Teleperformance undertakes no obligation to publicly update or revise any of these forward-looking statements.*

- 1** *LanguageLine Solutions (LLS) at a glance*
- 2** *A perfect fit with Teleperformance's strategy*
- 3** *Boosting Teleperformance's value-added profile and financial ratios, creating value for Teleperformance shareholders*



1

*LanguageLine Solutions
at a glance*



MISSION AND KEY FIGURES

- **Acquisition of LanguageLine Solutions LLC (LLS)**, the US market leader in over-the-phone (OPI) and video (VRI) interpretation services provided to business and institutions mainly in the healthcare, insurance, financial services and public sectors

LLS interpreters serve people by helping them find solutions to their daily communication and service problems, all over the world, all around the clock

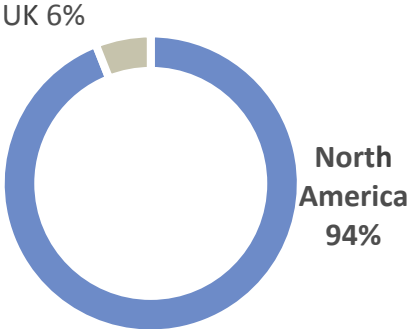
<ul style="list-style-type: none">• Founded in 1982 and based in Monterey, CA• Market position in the US: #1• Annual revenue (2015): US\$ 388 million• # interpreters: 8,000, o/w 92% WAH*• # languages: 240+• # clients: 25,000• Retention rate: 97%	<ul style="list-style-type: none">• Seasoned senior management• Strong process: sophisticated proprietary ERP system (Olympus)• Strong growth dynamics:<ul style="list-style-type: none">• 2012-2015 CAGR in revenue: + 8.9%• 2015-2020 CAGR in revenue: > + 10%
---	--

* Work at Home

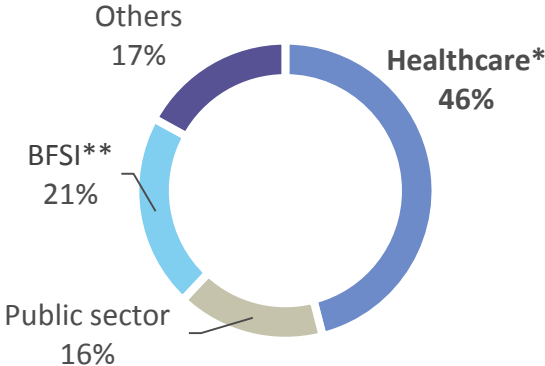
LANGUAGELINE SOLUTIONS AT A GLANCE

KEY SEGMENT AND SERVICE DATA: A STRONG PROFILE

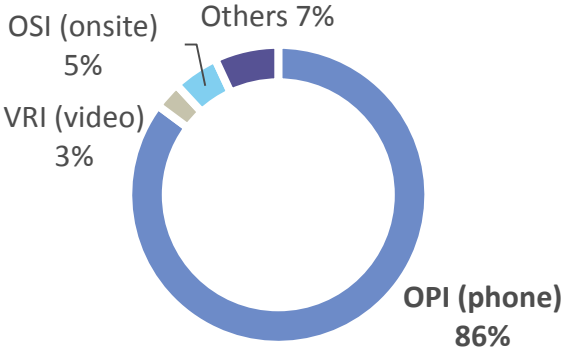
Revenue by region (2015)



Revenue by vertical (2015)

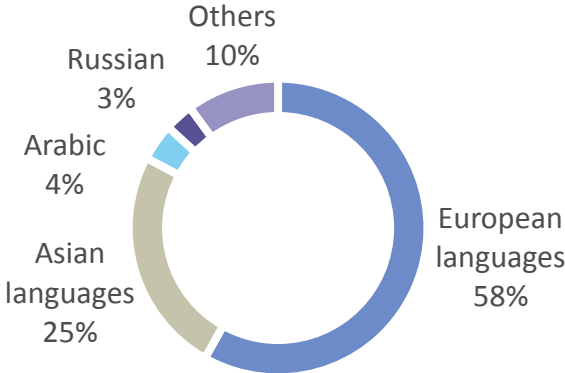


Revenue by service (2015)



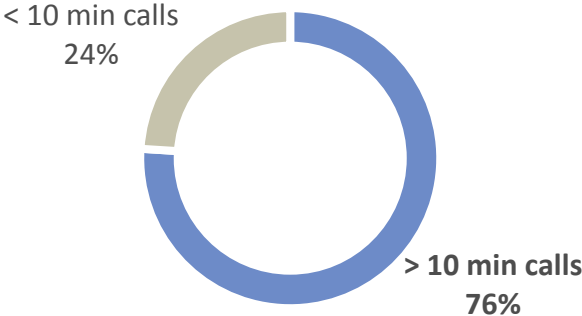
* Including Health insurance ** Banking, Financial services and non-Health Insurance

Language capabilities



Complex interactions

76% of total business volumes are generated by calls lasting > 10 minutes





MARKET ENVIRONMENT

- Multichannel solutions enabling clients to effectively serve the rapidly expanding and largely **under-served market of Limited English Proficiency** (“LEP”) clients
- Bespoke solutions enabling clients to grow, **deliver mission-critical services**, improve client loyalty and comply with legal and regulatory obligations
- **Human interaction is key** in mission-critical services (interpretation market)
- Fragmented worldwide language services market: **~US\$ 35 billion**
- **Structured competition is far behind** LLS in terms of revenue (#2 is four times smaller)



- **A growing market**
 - The US OPI market is expected to grow by 9% per annum

- **Demand drivers**
 - New technologies and functionalities allow for wider application of language solutions
 - Organizations are focused on core capabilities, leading to the outsourcing of language access activities
 - Enhanced regulatory requirements within key verticals continue to spur increased demand from both new and existing clients
 - Over 25 million LEP individuals in the US, growing above the general population trend
 - Booming migrant phenomena

- **LLS differentiating power to benefit from this growing market**
 - Leadership position: 35 years of successful delivery of over-the-phone interpretation (OPI) services
 - Solid client portfolio
 - Mission-critical nature of solutions drives sustainable value proposition
 - Size, scale and distributed workforce
 - Best-in-class technology platform and culture of continuous improvement
 - Experienced and driven management team
 - Benefiting from Teleperformance's worldwide network to duplicate the business model in Europe and China



2

*A perfect fit with
Teleperformance's
strategy*

A PERFECT FIT WITH TELEPERFORMANCE'S STRATEGY (1)

ACQUISITION OF LANGUAGELINE SOLUTIONS: EXECUTION OF TELEPERFORMANCE'S STRATEGY

- Teleperformance's **Mantra:**

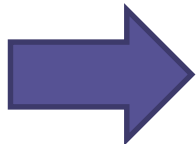
“We are people serving people by helping them find solutions to their daily communication and service problems, all over the world, all around the clock”

- Teleperformance's **Objective:**

Being a worldwide leader in growing outsourced customer experience management markets, through organic growth and targeted acquisitions, while maintaining high profitability

- Teleperformance's **Acquisition Strategy:**

- North America as a key priority
- High-profile targets bringing complementarity and strong assets in a “win-win” deal spirit
 - ✓ *Seasoned management sharing the same excellence and people culture*
 - ✓ *New verticals / New services under the customer experience umbrella / New expertise*
 - ✓ *Sound financials*
- Accretive deals



Acquisition of LanguageLine Solutions: the perfect fit

A PERFECT FIT WITH TELEPERFORMANCE'S STRATEGY (2)

LANGUAGELINE SOLUTIONS: THE RIGHT ACQUISITION...

■ ...Strengthening:

- Teleperformance's leadership in its markets over the world and in the US
- Teleperformance's mix towards high-end Business Process Outsourcing (BPO) services
- Teleperformance's financial ratios and growth profile

■ ...Enhancing:

- Value creation for Teleperformance shareholders
- Immediate accretive impact of around 10% on Teleperformance's 2016 earnings per share* and significantly more in subsequent years

■ ...Confirming:

- Accurate Teleperformance's vision ***"to become a €5-billion revenue, highly-profitable market leader by 2020"*****

* Including amortization of goodwill

** From the 2015 annual results press release dated February 27, 2016



3

Boosting Teleperformance's value-added profile and financial ratios, creating value for Teleperformance shareholders

NEW TELEPERFORMANCE PROFILE

ENHANCED FINANCIAL PROFILE

	Teleperformance	LLS⁽¹⁾	Impact of the LLS acquisition on Teleperformance⁽³⁾
Revenue growth CAGR 2016-2020	+ 5%/+ 6% (above market)	+ 8%/+ 10%	+ 1pt/+ 2pts
EBITDA margin (2016-2020)	-	30%/40%	+ 250bp/+ 300bp
EBITA margin (2016-2020)	> 10.3% ⁽²⁾	~30%	+ 200bp/+ 250bp
Cash conversion rate ⁽⁴⁾ (2016-2020)	-	60%/65%	+ 5pts/+ 10pts
Earnings per share			
2016 ⁽⁵⁾	-	-	~+ 10%
Beyond	-	-	> + 15%

(1) LLS 2016 internal projections

(2) Teleperformance 2016 full-year objective, as cited in the Group's press release dated July 27, 2016

(3) On a 12-month pro-forma basis

(4) Net free cash flow/recurring EBITDA

(5) Including amortization of goodwill related to LLS (€50/€60 million)

- **Key transaction data**

- Entering into a definitive merger agreement to acquire LLS from ABRY Partners and minority equity owners
- Acquisition price: US\$ 1,522 million
- Fully financed through debt financing
- Transaction expected to close before year end (subject to various regulatory approvals)

- **Accretive impact**

- Accretion to Group's earnings per share of **around 10% on a pro forma basis for 2016**
- **Positive impact** on Group's initial full-year growth and margin **objective for 2016**
- **Supporting the Group's vision** of becoming a €5-billion revenue market leader by 2020

- **Financial structure**

- The leverage ratio (net debt/Ebitda) will reach 2.4 on a pro forma basis at end-2016
- Expected to revert to 0.75 by 2020

- **Enhanced cash flow generative profile**

- Group's ability to generate higher levels of cash flow to reduce debt quickly and/or finance future growth, either organically (capex) or through acquisitions

INVESTOR RELATIONS CONTACT
investor@teleperformance.com
+33 1 53 83 59 87



Teleperformance

Transforming Passion into Excellence

FOR MORE INFORMATION:

www.teleperformance.com

FOLLOW US

 [/teleperformanceglobal](https://www.facebook.com/teleperformanceglobal)

 [@teleperformance](https://twitter.com/teleperformance)

 [/teleperformance](https://www.youtube.com/teleperformance)

 blog.teleperformance.com

 [/company/teleperformance](https://www.linkedin.com/company/teleperformance)