



 **TELUS**<sup>®</sup> International

**Q2 2021 Highlights**

July 30, 2021

# Disclaimer

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## Forward Looking Statements

This presentation contains forward-looking statements concerning our expected financial results for full year 2021, business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim", "anticipate", "assume", "believe", "contemplate", "continue", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "seek", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements are based on our current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management's beliefs and assumptions, and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those factors listed under "Risk Factors" in our Annual Report on Form 20-F filed with the SEC on EDGAR and on SEDAR.

## Non-GAAP Financial Measures

This Presentation also contains certain non-GAAP financial measures, which are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to GAAP measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. Management believes that these measures are commonly reported by issuers and widely used by investors as an indicator of a company's operating performance. These non-GAAP financial measures which should be considered only as a supplement to, and not as a superior measure to, financial measures prepared in accordance with GAAP. For an explanation of these non-GAAP measures and a reconciliation to the most comparable GAAP measure, please see the appendices to this presentation and our second quarter 2021 management's discussion and analysis of results of operations and financial condition, and financial statements and notes, on SEDAR and on Form 6-K on EDGAR with the SEC.

## Currency

All financial information in this presentation is stated in U.S. dollars.

## Q2 2021 | Strong operating momentum

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Organic growth and acquisitions drive higher revenue and profitability



Digital and higher-value engagements translate into accretive client mix



Robust free cash flow generation and further reduction in leverage



Outlook raised for full-year 2021 on business momentum achieved in the quarter



Focus on unique opportunity of content moderation & AI in broader digital CX



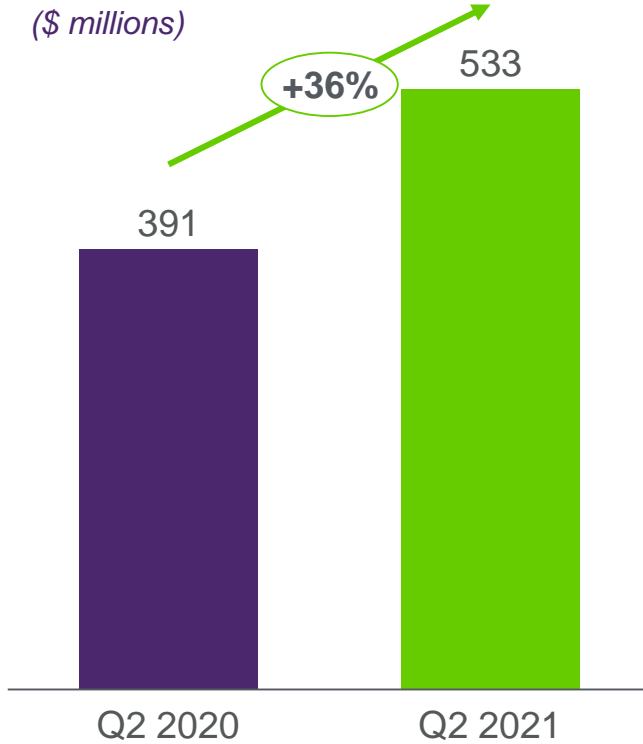
Playment acquisition expands leadership in scaled data annotation capabilities



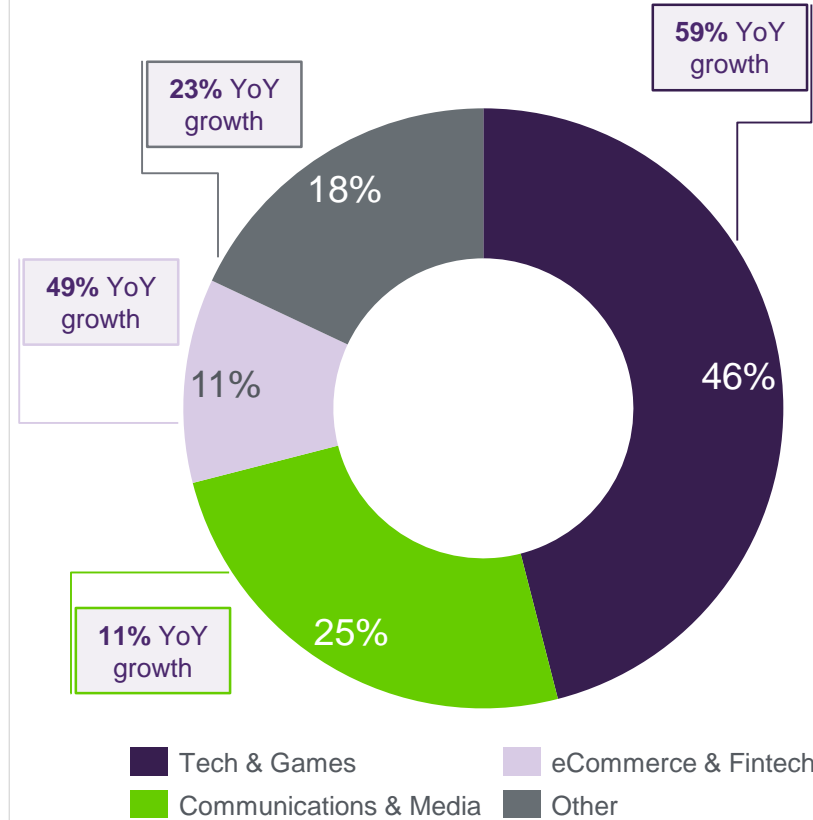
# Q2 2021 | Revenue growth

## Revenue Growth

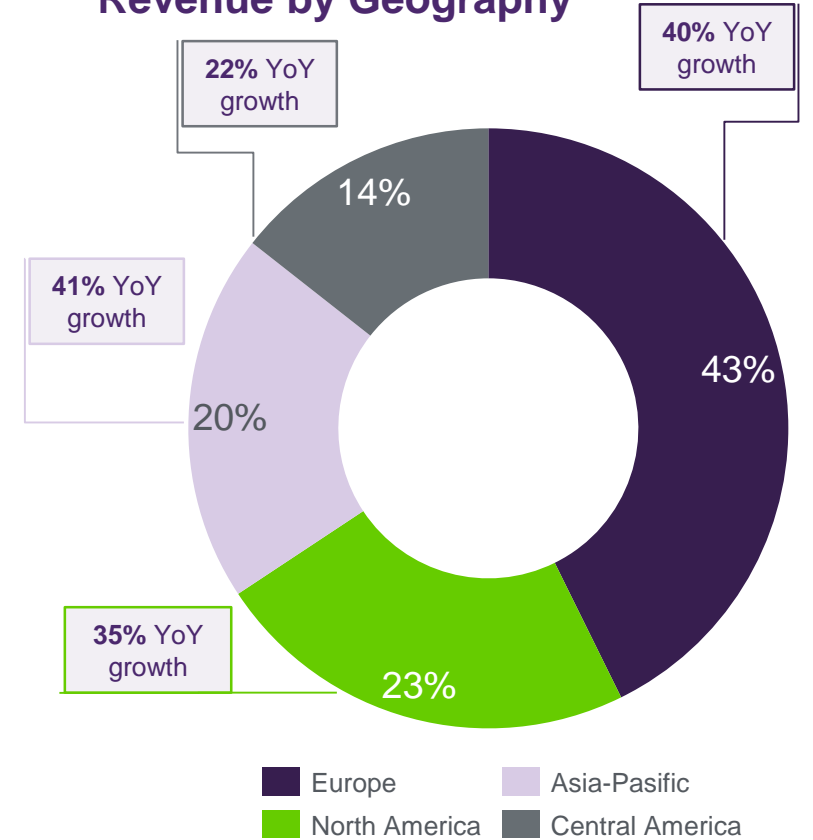
(\$ millions)



## Revenue by Vertical



## Revenue by Geography

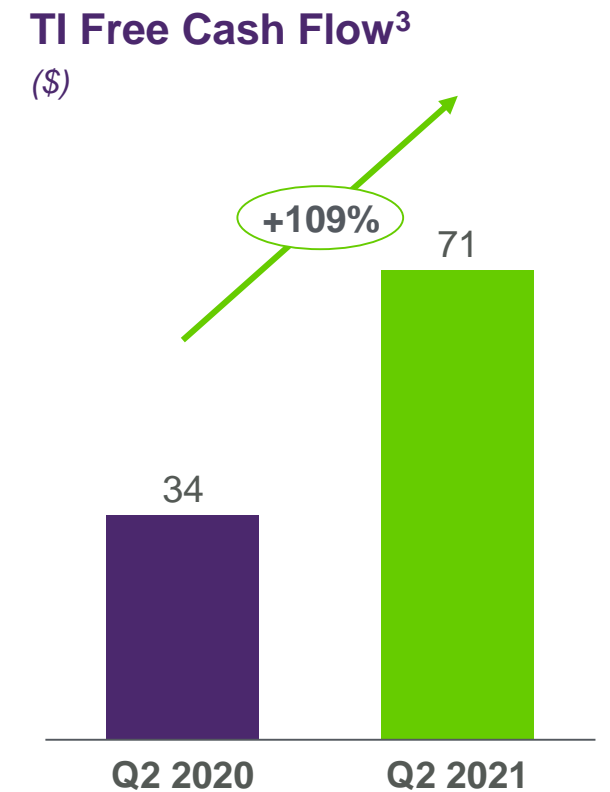
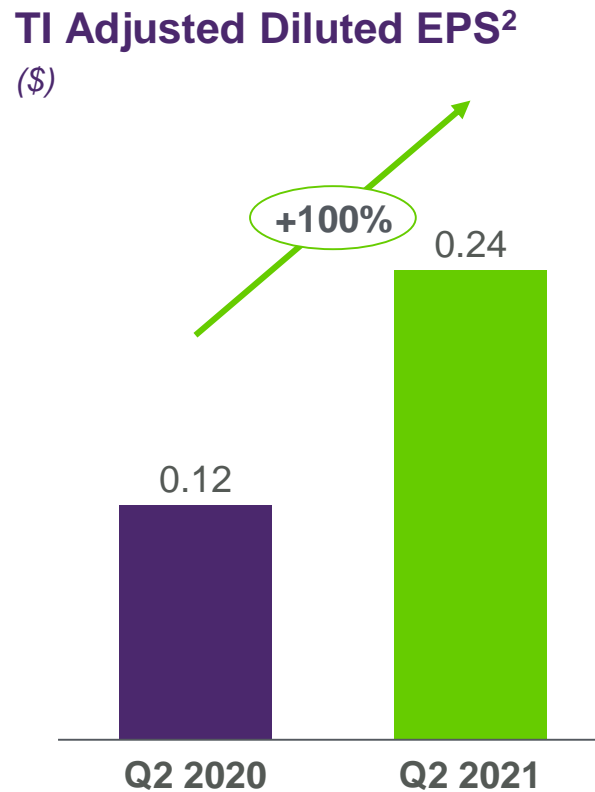
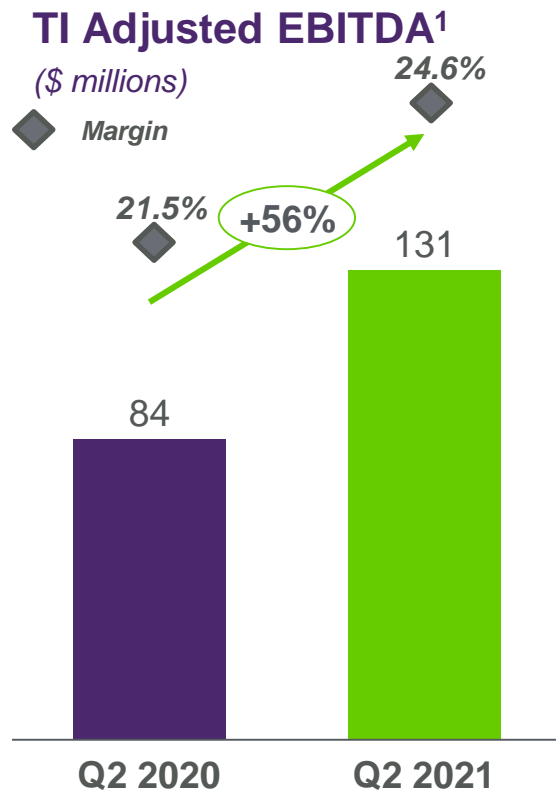


## Client Concentration

	Q2 YTD 2021	Q2 YTD 2020
Top 10 clients	61%	65%

# Q2 2021 | Profitability growth and higher cash flows

- Strong growth balanced between contributions from organic business and acquisitions
- Benefit of digital and client mix, continuous efficiency improvement
- High demand for new economy capabilities and broader CX end-to-end solutions



<sup>1</sup> TI Adjusted EBITDA and TI Adjusted EBITDA Margin are non-GAAP financial measures. See Appendices for a reconciliation of TI Adjusted EBITDA to Net Income and TI Adjusted EBITDA Margin to Net Income Margin.

<sup>2</sup> TI Adjusted Diluted EPS is a non-GAAP financial measure. See Appendices for a reconciliation of TI Adjusted Net Income to Net Income.

<sup>3</sup> TI Free Cash Flow is a non-GAAP financial measure. See Appendices for a reconciliation of TI Free Cash Flow to Cash provided by operating activities.

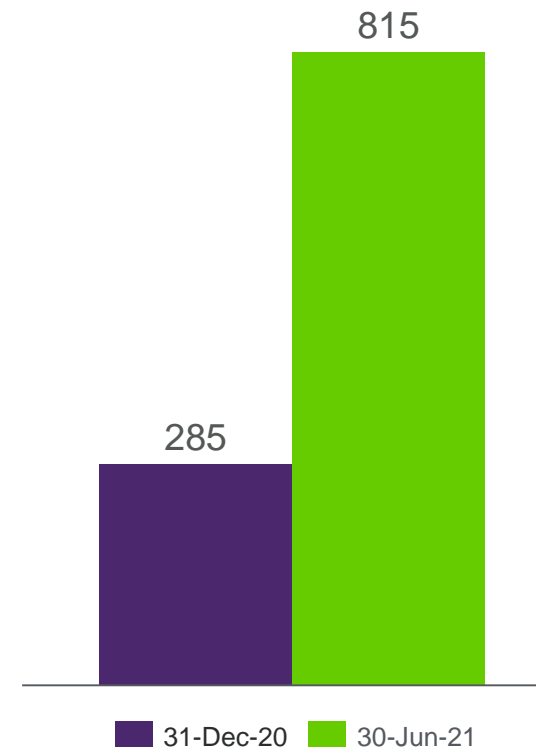
## Q2 2021 | Liquidity and leverage improvement

- **Proven ability to de-leverage quickly:**  
IPO proceeds and additional repayments from cash provided by operating activities enabled significant debt repayment to achieve 2 to 3x leverage target in Q1, further improvement in Q2
- Significant available liquidity for potential strategic acquisition opportunities, leveraging successful M&A playbook

	December 31, 2020	June 30, 2021
Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement <sup>2</sup>	4.1x	2.3x

### Available liquidity<sup>1</sup>

(\$ millions)



<sup>1</sup> Available liquidity is comprised of cash and cash equivalents and available borrowings under revolving credit facilities.

<sup>2</sup> Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement is a non-GAAP financial measure, calculated by dividing Net Debt as per credit agreement by Adjusted EBITDA (trailing 12 months) and other adjustments required as per credit agreement. See Appendices for a calculation of Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement and a reconciliation of TI Adjusted EBITDA to Net Income. Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement target range excludes the impact of potential future acquisitions.

# Outlook | Continued momentum in 2021

*Outlook raised due to strong overall business performance in Q2 2021*

## Full-Year 2021 Outlook

	FY2020 Reported	Outlook	<i>Implied growth in 2021</i>
Revenue (millions)	\$1,582	\$2,170 – 2,210 ↑	37% to 40%
TI Adjusted EBITDA <sup>1</sup> (millions)	\$391	\$530 – 540 ↑	36% to 38%
TI Adjusted Diluted EPS <sup>2</sup>	\$0.71	\$0.92 – 0.97 ↑	30% to 37%




<sup>1</sup> TI Adjusted EBITDA is a non-GAAP financial measure. See Appendices for a reconciliation of TI Adjusted EBITDA to Net Income.

<sup>2</sup> TI Adjusted Diluted EPS is a non-GAAP financial measure. See Appendices for a reconciliation of TI Adjusted Net Income to Net Income.




# On track to deliver sustainable and growing shareholder value

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## Growth and operating leverage

- Revenue growth 
- Operating leverage / margin expansion 
- Investment for growth 

## Optimized capital structure

- Target Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement<sup>1</sup> of 2-3x 
- Flexibility to increase debt, if needed 
- Opportunistic M&A 

<sup>1</sup> Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement is a non-GAAP financial measure, calculated by dividing Net Debt as per credit agreement by Adjusted EBITDA (trailing 12 months) and other adjustments required as per credit agreement. See Appendices for a calculation of Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement and a reconciliation of T1 Adjusted EBITDA to Net Income. Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement target range excludes the impact of potential future acquisitions.





# Appendices

## TI Adjusted Net Income reconciliation

Periods ended June 30 (US\$, in millions except per share amounts) (unaudited)	Three Months	
	2021	2020
<b>Net income</b>	<b>\$16</b>	<b>\$43</b>
Add back (deduct):		
Changes in business combination-related provisions	--	(51)
Acquisition, integration and other	7	7
Share-based compensation	19	10
Foreign exchange (gain) loss	(1)	3
Amortization of purchased intangible assets	34	21
Tax effect of the adjustments above	(12)	(7)
<b>TI Adjusted Net income</b>	<b>\$63</b>	<b>\$26</b>
Basic EPS	\$0.06	\$0.19
Diluted EPS	\$0.06	\$0.19
TI Adjusted Basic EPS	\$0.24	\$0.12
TI Adjusted Diluted EPS	\$0.24	\$0.12
<b>Total Weighted Average Shares Outstanding (millions)</b>		
Basic	266	226
Diluted	268	228

## TI Adjusted EBITDA reconciliation

Periods ended June 30 (US\$ millions, except margin percentages) (unaudited)	Three Months	
	2021	2020
<b>Net income</b>	<b>\$16</b>	<b>\$43</b>
Add back (deduct):		
Changes in business combination-related provisions	--	(51)
Acquisition, integration and other	7	7
Share-based compensation	19	10
Foreign exchange (gain) loss	(1)	3
Depreciation and amortization	65	50
Interest expense	12	12
Income taxes	13	10
<b>TI Adjusted EBITDA</b>	<b>\$131</b>	<b>\$84</b>
Net income margin	3.0%	11.0%
TI Adjusted EBITDA margin	24.6%	21.5%

## TI Free Cash Flow reconciliation

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Periods ended June 30 (US\$ millions) (unaudited)	Three Months	
	2021	2020
Cash provided by operating activities	\$96	\$50
Less: Capital expenditures	(25)	(16)
<b>TI Free Cash Flow</b>	<b>\$71</b>	<b>\$34</b>

# Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement reconciliation

As at (US\$ millions except for ratio) (unaudited)	June 30, 2021	December 31, 2020
Outstanding credit facility	\$983	\$1,568
Contingent facility utilization	7	7
Net derivative	39	56
Cash balance <sup>1</sup>	(100)	(100)
<b>Net Debt as per credit agreement</b>	<b>\$929</b>	<b>\$1,531</b>
<b>TI Adjusted EBITDA (trailing 12 months)</b>	<b>\$499</b>	<b>\$391</b>
Adjustments required as per credit agreement	\$(97)	\$(20)
<b>Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement</b>	<b>2.3</b>	<b>4.1</b>

<sup>1</sup> Maximum cash balance of \$100 million is used in accordance with the credit agreement, cash balance as of June 30, 2021 and December 31, 2020 was \$119 million and \$153 million, respectively.





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