Investor Presentation

March 2024

TELUS® International

Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements concerning our 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, the integration of WillowTree, 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. We assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, uncertainties or otherwise, except as required by law. Factors that may cause actual results to differ materially from current expectations include, among other things, those factors described in our “Risk Factors” section of our Annual Report filed on SEDAR+ and in “Item 3D – Risk Factors” of our Annual Report on Form 20-F filed on EDGAR, each dated February 9, 2024.

Non-GAAP Financial Measures

This presentation also contains non-GAAP financial information, with reconciliation to GAAP measures presented at the end of this presentation. We report certain non-GAAP measures used in the management analysis of our performance, but these do not have standardized meanings under International Financial Reporting Standards as prescribed by the International Accounting Standards Board (IFRS-IASB). These non-GAAP financial measures and non-GAAP ratios may not be comparable to GAAP measures or ratios and may not be comparable to similarly titled non-GAAP financial measures or non-GAAP ratios reported by other companies, including those within our industry and TELUS Corporation, our controlling shareholder. 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, measures prepared in accordance with GAAP.

Note that beginning in the first quarter of 2024 and in connection with its full-year outlook for 2024 presented on the "Outlook" slide, the company will no longer exclude share-based compensation expense and changes in business combination-related provisions, and the tax effects of these items, as applicable, in our presentation of Adjusted Net Income, Adjusted Basic and Diluted EPS, and Adjusted EBITDA. For more information regarding this change, including a presentation of each of these non-GAAP financial measures and ratios for full-year 2023 under the modified presentation, as well as for explanations of all non-GAAP financial measures referenced in this presentation and their reconciliations to the most comparable GAAP measures, see the “Non-GAAP” section of this presentation.

Currency

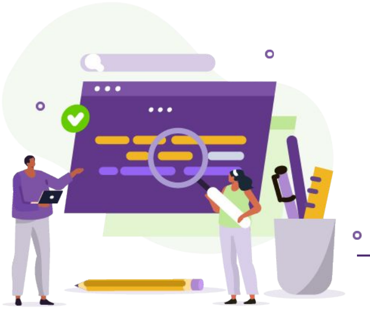
All financial information in this presentation is stated in U.S. dollars.

We are a leading digital customer experience innovator that designs, builds, and delivers next-generation solutions for global and disruptive brands

Strategy & Innovation

Digital Strategy
UX / UI Design

DESIGN



Next-gen Tech & IT Services

AI Data Annotation / ML Automation
Managed Cloud Services

BUILD

Digital Customer Experience Process & Delivery

Content Moderation
Analytics

DELIVER

Acronyms: UX (User Experience), UI (User Interface), AI (Artificial Intelligence) and ML (Machine Learning).

The TELUS International difference

1	**Market**	Large market opportunity with powerful secular tailwinds
2	**Solutions**	Category-defining position in digital transformation and CX, with E2E design, build, and deliver capabilities, including trust & safety and generative AI
3	**Clients**	Strategic, mission-critical partner to a diverse set of disruptive and established clients
4	**Culture**	Differentiated culture driving superior client service
5	**Delivery**	Agile global delivery model seamlessly connected by next-generation technology
6	**Financials**	Strong financial profile focused on profitable growth and robust cash flow

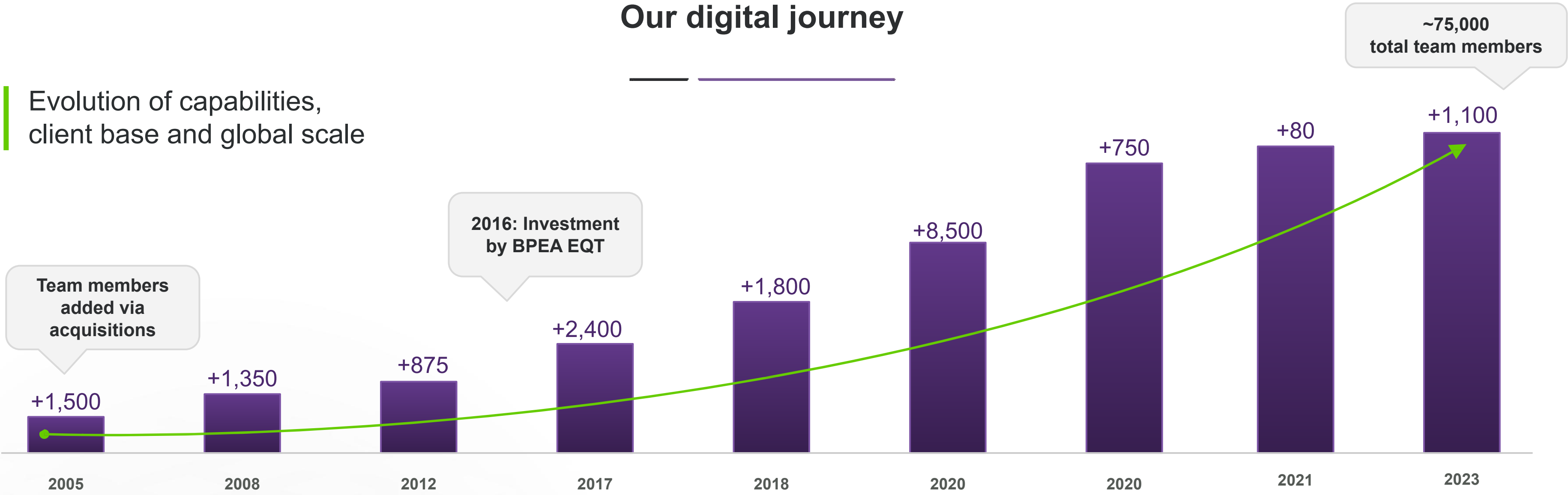
$750B+	Total addressable market[1]
18	Average programs per client[2]
650+	Clients
76%	Global top quartile Engagement[3]
68	Delivery locations

	FY 2023	2024 Outlook[4]
Revenue	**$2.71B**	**$2.79 - 2.85B**

Note: CX (Customer Experience).
[1] Total addressable market estimated by management as of 2023.
[2] Top 10 clients, excl. TELUS, as of December 31, 2023.
[3] Employee engagement score by Kincentric, for the year ended December 31, 2023.
[4] Outlook for full-year 2024, as disclosed on February 9, 2024.

Our digital journey

Evolution of capabilities, client base and global scale



AMBERGRIS SOLUTIONS
In-house partner for CX solutions

TRANSACTEL
Expansion into Guatemala and El Salvador

CALLPOINT
Expansion into Bulgaria and Romania

VOXPRO
Agile delivery for fast-growing brands; expanded footprint in U.S., Europe and Asia

XAVIENT DIGITAL
Next-generation digital IT solutions

CCC
Content moderation digital CX; expanded European client base

LIONBRIDGE AI
AI data annotation solutions

PLAYMENT
Image, video and lidar data annotation solutions, and computer vision technology

WILLOWTREE
Digital product development focused on end-user experience

Significant market opportunity to design, build, and deliver premium digitally enabled experiences

AI Data Solutions

AI becoming a core enabler of experiences as adoption increases

AI Productization | Generative AI | MLOps

Trust and Safety

Users interact in online ecosystems generating content in high volume

Evolving Content Type | Emerging Regulations | Metaverse

$750B+

Market Size

CXM

Users expect a differentiated omni-channel experience from brands

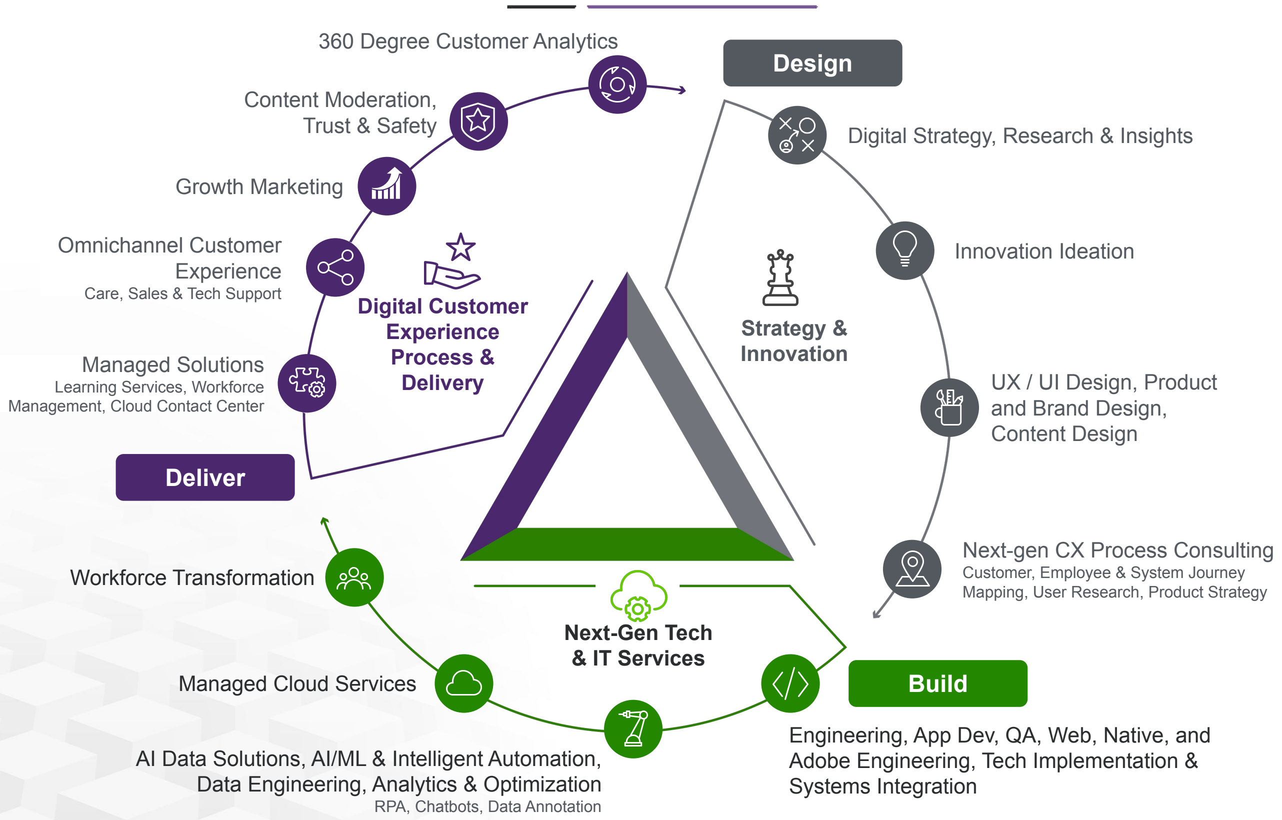
AI augmented CX | CCaaS

Digital IT

Digital transformation enables superior user experience designed around immersive interfaces

Digital Strategy Design | App Dev | Cloud | Hyperautomation

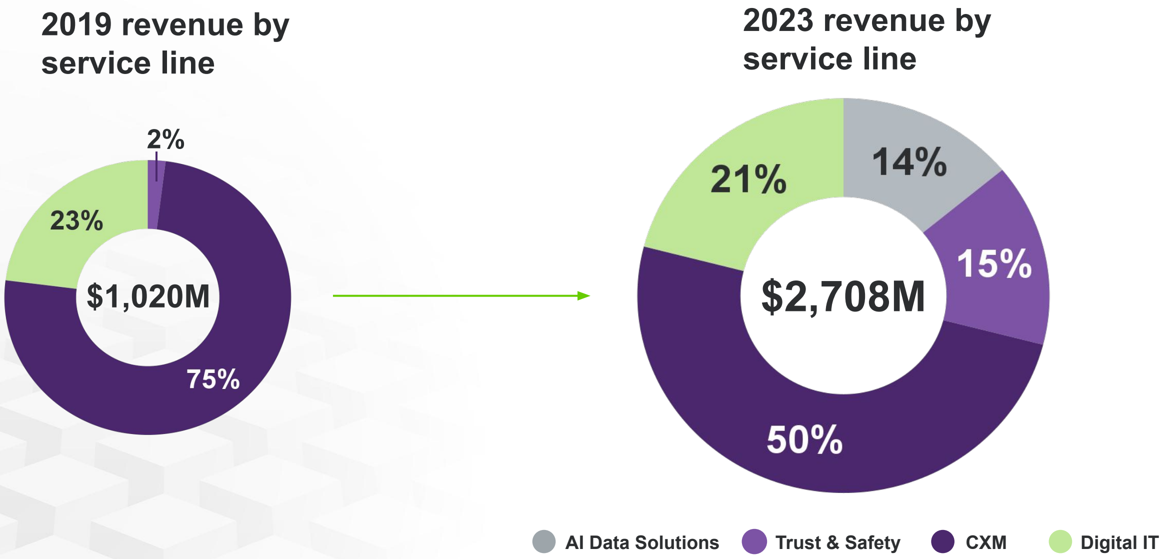
Comprehensive, end-to-end capabilities with digital technology expertise



Domain Expertise | iLabs | Digital CoEs | Vertical Solutions | Tech Partnerships | Global Delivery

Evolution in service lines driving profitable growth

Significant diversification across service lines provides foundation for continued accretive revenue growth opportunities



Unique combination of new economy services

AI Data Solutions

- Data creation and collection
- Data annotation
- Linguistic annotation
- Data validation and relevance
- Computer vision

Content Moderation

- Channel and community mgmt
- User safety
- Localized compliance
- Social media next-gen CX
- Ad moderation
- Online marketplace protection
- Focus on team member wellness drives sustainability and quality

Increase in online user generated content (UGC) heightens the demand for efficient digital trust and safety services

Our AI Data Solutions and content moderation form an essential offering for a growing group of companies

Our AI Data Solutions help enable a robust trust and safety framework for our clients' digital businesses, in an age where personal information security is essential for user retention

Effective AI solutions provide the first line of identification, while thoughtful, empathetic and caring human digital first responders are key to our content moderation services

Our AI Data Solutions provide us with additional cross-selling opportunities for content moderation services to both existing and new clients

Spotlight on: TELUS International Digital Trust & Safety solutions

Importance of building trust and security to support high-growth digital platforms

UGC drives conversion, engagement

Inappropriate content harms users and brand

Objectionable / Illegal Content

Fraud & Identity Theft

User Safety

Trust & Safety is a necessity

Rapid, accurate identification, removal of inappropriate / fraudulent content

AI, automation tech, human intervention

Companies need a trusted partner

Customer Experience

+

Confidentiality

+

Compliance

Games

eCommerce & FinTech

Social Media

Travel Tech

Note: UGC (User-generated content).

Spotlight on: TELUS International AI Data Solutions

Technology-enabled solutions to create and enhance the quality of global AI training data for machine learning, including large language models (LLMs) for generative AI

- 1 million+ AI Community speaking 500+ languages and dialects
- Speed & accuracy of delivery, with built-in quality assurance
- Proprietary AI platforms for community sourcing & project management
- Secure onsite, nearsite, offsite capabilities
- Data at scale - collection, creation, annotation, selection and relevance
- End-to-end solutions & client experience systems
- Technology-enabled data annotation platform increases annotator efficiency
- Generative AI services: dataset engineering, model validation & tuning, software engineering, policy/guardrails
- AI data expertise serving leading providers of digital assistants, search engines and advertising networks

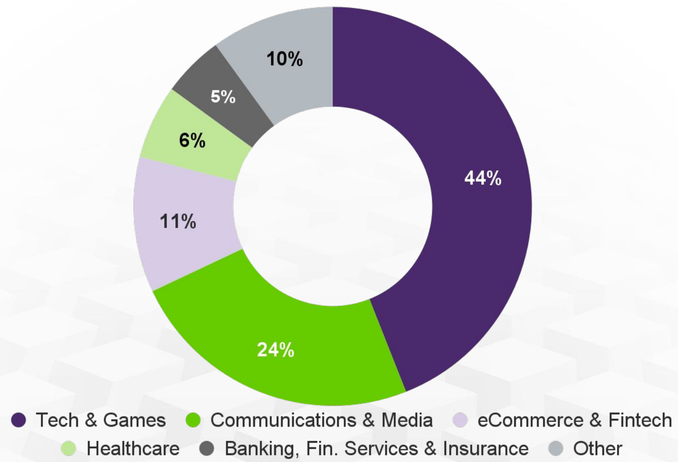
Data Creation / Collection › **Data Annotation** › **Computer Vision** › **Content Relevance** › **Linguistic Annotation**

Revenue diversification: strategic partner to a diverse set of leading clients

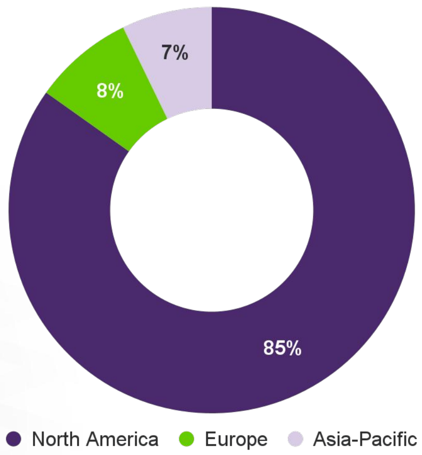
650+ clients

- High-Growth End-Markets
- Partner With Disruptors & Market Leaders
- Long-Term, Entrenched Relationships
- Mission-Critical Partner, Driving Revenue For Clients
- Shared Cultural Values

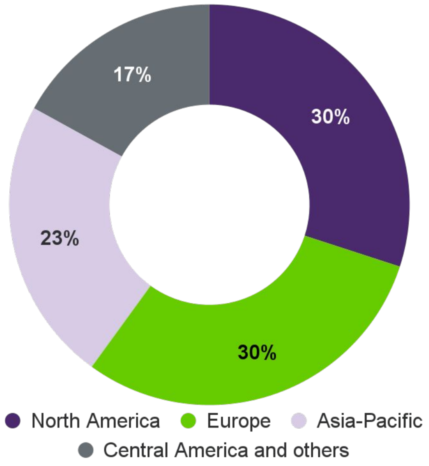
By vertical (FY 2023)



By client location (FY 2023)



By geography (FY 2023)



Top 10 client concentration:

- FY 2022: 65% | FY 23: 63%

TELUS International

Culture as a competitive differentiator

Talent Acquisition

- **820K** candidates screened and **200** university partnerships[1]
- **~48%** referral-based hires[2]

[1] During the year ended December 31, 2023.
[2] Of new full time team members hired in 2023.

Training and Coaching

- Create thought leaders with deep industry acumen
- **~3,300** degrees & programs completed at **TI University**

Diversity and Inclusion

- Women represent **~46%**[3] of our total workforce

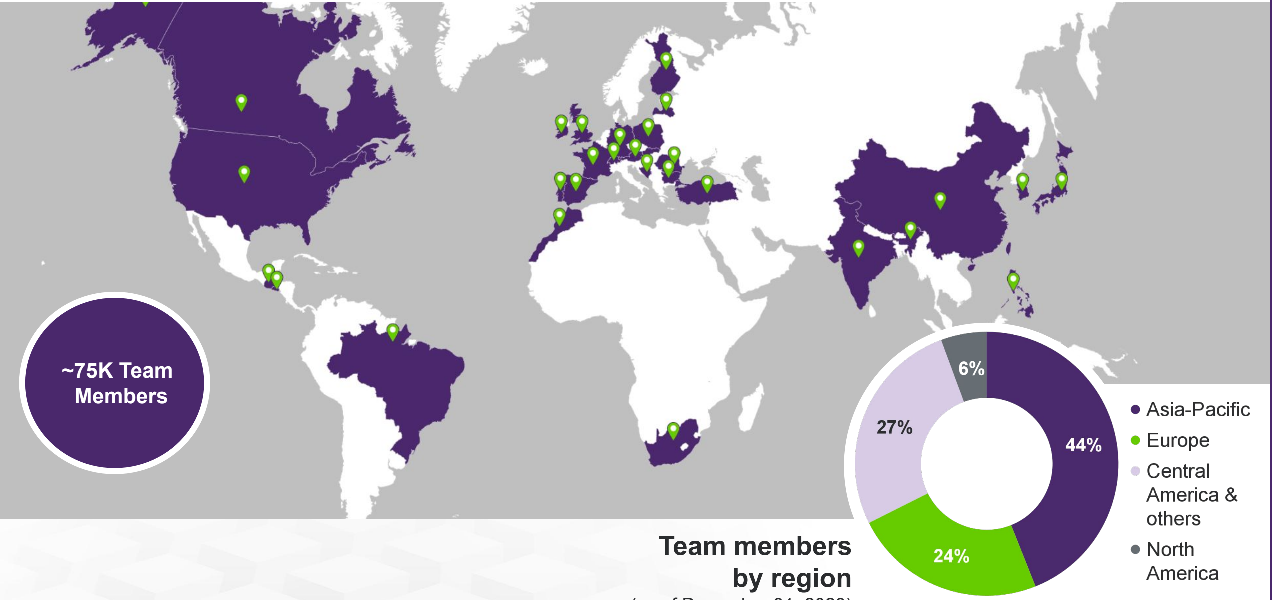
[3] As of December 31, 2023.

Corporate Social Responsibility

- **~$5.6M** distributed to local charities through TELUS International Community Boards since 2011
- TELUS International team members **volunteered 83,000 hours** in 2023

Culture of inclusion, diversity, and respect drives our success

Globally-scaled, agile delivery model, supported by best-in-class technology



- Asia-Pacific
- Europe
- Central America & others
- North America

Team members by region
(as of December 31, 2023)

Best-in-class technology

Built on **next-generation** cloud infrastructure

Next-gen tools capable of self learning

Deep expertise in **AI and automation**

API connectivity to clients' data

Technology partnerships

Our executive leadership team

Jeffrey Puritt
President and
Chief Executive Officer

Gopi Chande
Chief Financial Officer

Michel Belec
Chief Legal Officer and
Corporate Secretary

Tobias Dengel
President of WillowTree,
a TELUS International Company

200+ years of combined experience, including extensive industry experience within **digital IT and customer experience management**

Jose-Luis Garcia
Chief Operating Officer

Mike Ringman
Chief Information Officer

Marilyn Tyfting
Chief Corporate Officer

Multiple levers of continued organic growth

Expand volume and services with existing clients

Win new logos in core verticals

Leverage technology expertise, including AI to innovate new solutions

Drive efficiency through continuous improvement

Expand geographic presence

Inorganic growth: proven, disciplined approach to M&A and track-record of value creation

Key strategic priorities

- Augment capabilities
- Add scale
- Diversify geos & clients

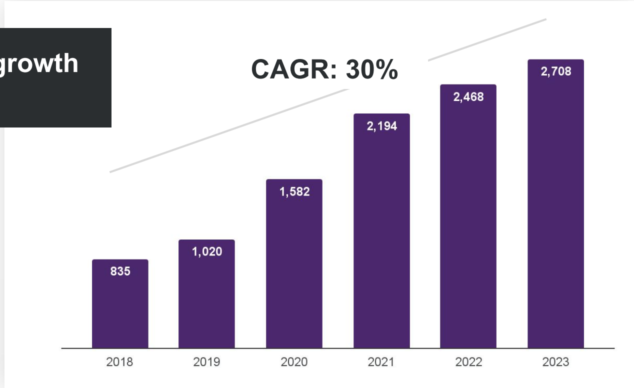
Integration best-practices

- Process expertise
- Operational excellence
- Cultural alignment
- Talent/leadership retention

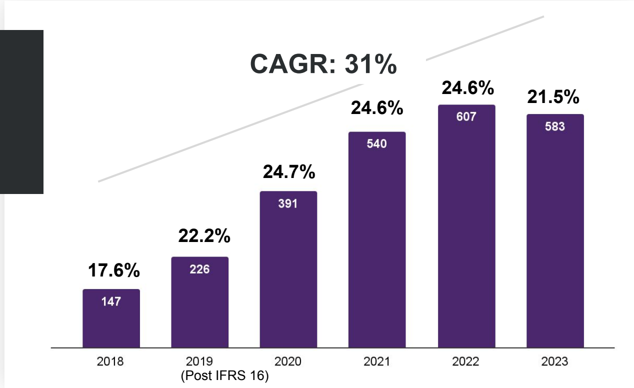
2023	WillowTree	($1,174M)	Digital product development
2021	Playment		Computer vision
2020	Lionbridge AI	($940M)	AI data annotation solutions
2020	CCC Competence Call Center	($873M)	Content moderation
2018	Xavient Digital	($202M)	Next-gen digital IT consulting
2017	voxpro	($116M)	
2012	CallPoint New Europe		
2008	Transactel		
2005	ambergris solutions		

Track record of historical execution

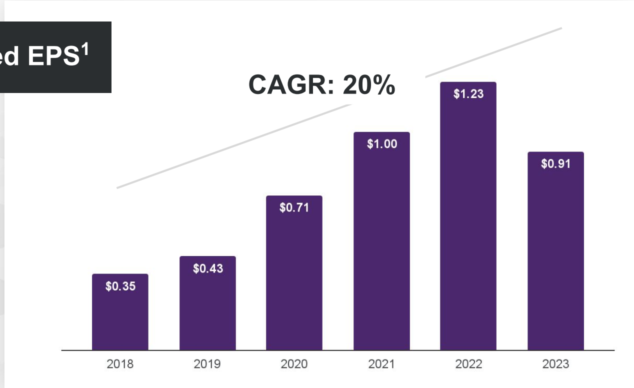
Revenue growth
(In millions)



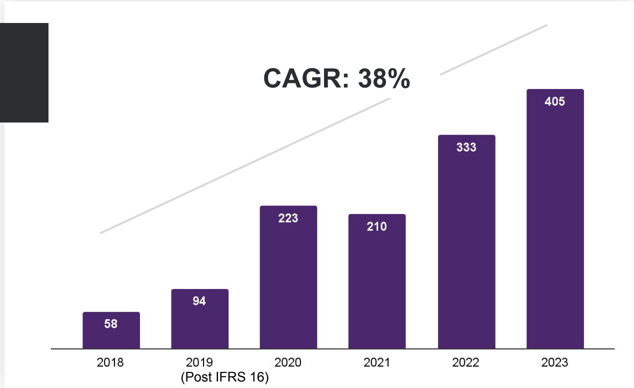
Adj. EBITDA[1] and Adj. EBITDA Margin[1] profile
(In millions)



Adj. Diluted EPS[1]



Free cash flow[1]
(In millions)



[1] Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures and Adjusted EBITDA Margin, Adjusted EBITDA CAGR, Adjusted Diluted EPS, Adjusted Diluted EPS CAGR, and Free Cash Flow CAGR are non-GAAP ratios. These measures and ratios do not have standardized meanings under International Financial Reporting Standards as prescribed by the International Accounting Standards Board (IFRS-IASB) and may not be comparable with similar measures and ratios presented by other issuers. For a description of the composition of these non-GAAP financial measures and non-GAAP ratios, an explanation of their uses and a reconciliation to the most comparable GAAP measures, see Non-GAAP section of this presentation.

Navigating a challenging macro environment

Industry Specific

Continued investment in hyperautomation

Businesses continue to invest in digital transformation to enhance client experience; AI and Trust & Safety in focus now more than ever

Value for money in focus

Historical experience shows a gravitation towards outsourcing as businesses emerge from a macro slowdown with a focus on value for money

Vendor consolidation

Clients increasingly choosing to work with end-to-end service providers

TI Specific

Diversified services and verticals

Broad array of expertise in a mix of growth and traditionally stable sectors, leveraging leading technology and complex solutions

Entrenched client relationships

End-to-End service provider to long tenured clients; focused on doing better with less; average tenure of 9 years; strategic partner to TELUS Corporation

Experienced management team

200+ years of combined senior management industry experience including navigating previous macro slowdowns

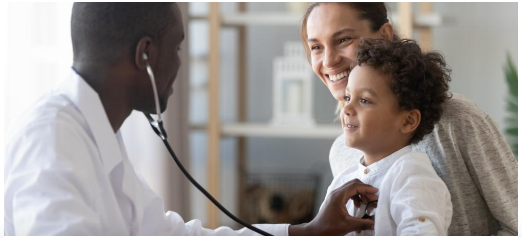
Strong financial profile over the long term

Focus on profitable growth and cash flow combined with a healthy balance sheet; backed by long-term strategic investors

Counter-cyclical growth opportunities with TELUS Corporation

TELUS

Meaningful opportunity to displace competitor spend and capture even more share of TELUS' business across multiple business areas.



TELUS Health

A leading global health and well-being company, providing employee and family preventative healthcare and wellness solutions, relying on innovative digital technologies, including AI and client service to improve health outcomes.

TELUS Agriculture & Consumer Goods

Enabling efficient, sustainable, traceable production from farm to fork, leveraging digital solutions as the largest provider of its kind to help improve food safety and quality for end consumers.

WillowTree capabilities enhance TI's service offerings to amplify opportunities with TELUS

Full-year 2024 outlook

Revenue

$2,790 to $2,850 million

3% to 5% YoY

Adjusted EBITDA[1]

$623 to $643 million

7% to 10% YoY

Adjusted EBITDA Margin[1]

22.3% to 22.6%

Adjusted Diluted EPS[1]

$0.93 to $0.98

7% to 13% YoY

Please refer to the forward looking statements disclaimer on slide 2.

[1] Adjusted EBITDA is a non-GAAP measure, while Adjusted EBITDA Margin and Adjusted Diluted EPS are non-GAAP ratios, which do not have a standardized meaning under IFRS and may not be comparable with similar measures and ratios presented by other issuers. For a description of the composition of Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Diluted EPS, see non-GAAP section of this presentation.

Note that beginning in the first quarter of 2024, the company will no longer exclude share-based compensation expense and changes in business combination-related provisions, and the tax effects of these items, as applicable, in our presentation of Adjusted Net Income, Adjusted Basic and Diluted EPS, and Adjusted EBITDA. For more information regarding this change, including a presentation of each of these non-GAAP financial measures and ratios for full-year 2023 under the modified presentation, see the “Non-GAAP” section of this presentation.

Medium term growth levers

Drivers

Revenue growth	Margin expansion	Robust cash flow
Large and expanding TAM with early stages of penetration End-to-end capabilities, including WillowTree Sales funnel conversion on new and existing clients Cross-Sell / Upsell across TI portfolio	Operating leverage and scale efficiencies Continued mix shift toward higher margin service offerings Optimize pricing and third party vendor cost	Adjusted EBITDA expansion Working capital optimization and management Stable capital intensity levels

Capital allocation strategy geared toward continued profitable growth

Drive organic growth

- Invest in organic growth drivers
- Increase proportionate investment in sales and marketing
- Baseline annual capital expenditures of ~4% to 5% as percent of revenue

Disciplined M&A

- M&A to enhance capabilities and drive secular growth
- Strategically aligned
- Patient and disciplined approach

Manage leverage

- Manage leverage to support growth and optimize cost of capital
- Repay debt to maintain target steady-state Net Debt to Adjusted EBITDA[1] as per credit agreement of 2-3x

[1] Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement is a non-GAAP ratio, calculated based on Net Debt and Adjusted EBITDA, both as per credit agreement, with other adjustments required as per credit agreement; see Non-GAAP section of this presentation. Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement target range excludes the impact of potential future acquisitions.

Driving incremental shareholder value creation

Strong execution drives robust organic and inorganic growth and leading profitability

Agility to **pivot** and adopt disruptive tech, foresight to **innovate and transform** people based offerings

Continuous digital transformation to drive higher **value, quality, efficiency** and strong **profitability**

Strategic **talent mix evolution** through diversified geo presence

Growth-oriented capital allocation to expand **AI-enabled capabilities and commercial expansion**

C-suite engagement to anticipate & meet **client demand** for evolving operating models

Thoughtful M&A to augment & accelerate capabilities

Delivering substantial value to all stakeholders

Connected Clients

- Driving advocacy through CX (CSAT, NPS)
- Enabling rapid global expansion
- Reducing time to market and cost to serve
- Preserving customer trust
- Leading continuous differentiation

Engaged Team Members

- Nurturing and caring culture
- Protecting team member wellbeing
- Advancing diversity, equity and inclusion
- Promoting growth through learning & development

Healthier Communities

- Giving back to the communities where we live, work and serve
- Creating meaningful employment through impact sourcing
- Supporting a sustainable planet

Shareholders

- Resilient profitable growth profile
- Experienced management team
- Smart acquirer
- Growth-oriented capital allocation
- Strong governance

Non-GAAP

TELUS® International

Non-GAAP

This presentation includes non-GAAP financial information, with reconciliation to GAAP measures presented at the end of this presentation. We report certain non-GAAP measures used in the management analysis of our performance, but these do not have standardized meanings under International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS-IASB). These non-GAAP financial measures and non-GAAP ratios may not be comparable to GAAP measures or ratios and may not be comparable to similarly titled non-GAAP financial measures or non-GAAP ratios reported by other companies, including those within our industry and TELUS Corporation, our controlling shareholder.

Adjusted EBITDA, Adjusted Net Income, Free Cash Flow and revenue on a constant currency basis are non-GAAP financial measures, while Adjusted EBITDA Margin, Adjusted Diluted EPS, revenue growth on a constant currency basis and Net Debt to Adjusted EBITDA Leverage Ratio are non-GAAP ratios.

Beginning in the first quarter of 2024, we will no longer exclude share-based compensation expense and changes in business combination-related provisions, and the tax effects of these items, as applicable, in our presentation of Adjusted Net Income, Adjusted Basic and Diluted EPS, and Adjusted EBITDA. We believe this presentation is more indicative of underlying business performance, and better aligns the presentation of these non-GAAP financial measures and ratios with comparable measures and ratios of TELUS Corporation, our parent company.

Adjusted EBITDA is commonly used by our industry peers and provides a measure for investors to compare and evaluate our relative operating performance. We use it to assess our ability to service existing and new debt facilities, and to fund accretive growth opportunities and acquisition targets. In addition, certain financial debt covenants associated with our credit facility, including Net Debt to Adjusted EBITDA Leverage Ratio, are based on Adjusted EBITDA, which requires us to monitor this non-GAAP financial measure in connection with our financial covenants. Adjusted EBITDA should not be considered an alternative to net income in measuring our financial performance, and it should not be used as a replacement measure of current and future operating cash flows. However, we believe a financial measure that presents net income adjusted for these items provides a more consistent measure for management to evaluate period-over-period performance and would enable an investor to better evaluate our underlying business trends, our operational performance and overall business strategy.

We exclude items from Adjusted Net Income and Adjusted EBITDA, including changes in business combination-related provisions, acquisition, integration and other, share-based compensation, foreign exchange gains or losses and, additionally, with respect to Adjusted Net Income, the interest accretion on written put options entered into in connection with our acquisition of WillowTree, real estate rationalization-related impairments, amortization of purchased intangible assets, and the related tax effect of these adjustments. Full reconciliations of Adjusted EBITDA and Adjusted Net Income to the comparable GAAP measures are included at the end of this presentation.

We calculate Free Cash Flow by deducting capital expenditures from our cash provided by operating activities, as we believe capital expenditures are a necessary ongoing cost to maintain our existing productive capital assets and support our organic business operations. We use Free Cash Flow to evaluate the cash flows generated from our ongoing business operations that can be used to meet our financial obligations, service debt facilities, reinvest in our business, and to fund, in part, potential future acquisitions.

Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by consolidated revenue. We regularly monitor Adjusted EBITDA Margin to evaluate our operating performance compared to established budgets, operational goals and the performance of industry peers.

Adjusted Diluted EPS is used by management to assess the profitability of our business operations on a per share basis. We regularly monitor Adjusted Diluted EPS as it provides a more consistent measure for management and investors to evaluate our period-over-period operating performance, to better understand our ability to manage operating costs and to generate profits. Adjusted Diluted EPS is calculated by dividing Adjusted Net Income by the weighted average number of diluted equity shares outstanding during the period, excluding the potential dilutive effect of the written put options related to the acquisition of WillowTree.

Revenue on a constant currency basis is used by management to assess revenue, the most directly comparable GAAP measure, excluding the effect of foreign currency fluctuations. Revenue on a constant currency basis is calculated as current period revenue translated using average foreign exchange rates in the comparable prior period.

Revenue growth on a constant currency basis is used by management to assess the growth of revenue, the most directly comparable GAAP measure, excluding the effect of foreign currency fluctuations. Revenue growth on a constant currency basis is calculated as current period revenue growth translated using average foreign exchange rates in the comparable prior period.

Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement is calculated based on Net Debt and Adjusted EBITDA, both as per credit agreement. We seek to maintain a Net Debt to Adjusted EBITDA Leverage Ratio in the range of 2-3x. We may deviate from our target Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement to pursue acquisitions and other strategic opportunities that may require us to borrow additional funds and, additionally, our ability to maintain this targeted ratio depends on our ability to continue to grow our business, general economic conditions, industry trends and other factors.

We have not provided a quantitative reconciliation of our full-year 2024 outlook for Adjusted EBITDA Margin and Adjusted Diluted EPS to our full-year 2024 outlook for net income margin and diluted EPS because we are unable, without making unreasonable efforts, to calculate certain reconciling items with confidence, which could materially affect the computation of these financial ratios and measures.

Revenue growth on a constant currency basis reconciliation

	Full Year	
(millions, except percentages)	2023	2022
Revenue, as reported	**$2,708**	**$2,468**
Foreign exchange impact on current period revenue using prior comparative period's rates	(12)	87
Revenue on a constant currency basis	**$2,696**	**$2,555**
Revenue growth	*10%*	*12%*
Revenue growth on a constant currency basis	*9%*	*16%*

Adjusted Net Income and Adjusted EPS reconciliation

($ millions, except per share amounts)	2023	2022	2021	2020	2019	2018
Net income	**$54**	**$183**	**$78**	**$103**	**$69**	**$47**
Add back (deduct):						
Share-based compensation	21	25	75	29	13	6
Acquisition, integration and other	55	40	23	59	7	4
Real estate rationalization-related impairments	5	-	-	-	-	-
Amortization of purchased intangible assets	174	121	132	75	15	15
Changes in business combination-related provisions	(20)	-	-	(74)	(14)	(13)
Interest accretion on written put options	13	-	-	-	-	-
Foreign exchange (gain) loss	-	(7)	(1)	(2)	(3)	8
Tax effect of the adjustments above	(50)	(30)	(40)	(30)	(5)	(2)
Adjusted Net Income	**$252**	**$332**	**$267**	**$160**	**$82**	**$65**
Basic EPS	$0.20	$0.69	$0.30	$0.46	$0.36	$0.25
Diluted EPS	$0.18	$0.68	$0.29	$0.46	$0.36	$0.25
Adjusted Basic EPS	$0.92	$1.25	$1.01	$0.71	$0.43	$0.35
Adjusted Diluted EPS[1]	$0.91	$1.23	$1.00	$0.71	$0.43	$0.35
Diluted EPS 5-year CAGR	***(6)%***	***23%***				
Adjusted Diluted EPS 5-year CAGR	***21%***	***32%***				
Total Weighted Average Shares Outstanding (millions)						
Basic	274	266	264	224	190	189
Diluted	286	270	267	226	190	189

[1] Diluted weighted average number of equity shares outstanding, excluding the potential dilutive effect of the written put option, was 277 million for the year ended December 31, 2023, calculated by subtracting the potential dilutive effect of the written put option of 9 million from the weighted average number of diluted equity shares outstanding of 286 million. No adjustments were required for the comparable period ended December 31, 2022.

Adjusted Net Income and Adjusted EPS – modified presentation

The following table presents the adjustments to the reconciliations of full-year 2023 Adjusted Net Income and Adjusted Diluted EPS to reflect the modified presentation of such measures that we will begin to report in the first quarter of 2024, along with the comparable 2024 outlook for Adjusted Net Income and Adjusted Diluted EPS under the modified presentation.

(millions, except per share amounts)	2023	Adjustments to presentation	2023 (modified presentation)	2024 Outlook (modified presentation)
Net income	**$54**		**$54**	
Add back (deduct):				
Share-based compensation	**21**	(21)	**-**	
Acquisition, integration and other	**55**		**55**	
Real estate rationalization-related impairments	**5**		**5**	
Amortization of purchased intangible assets	**174**		**174**	
Changes in business combination-related provisions	**(20)**	20	**-**	
Interest accretion on written put options	**13**		**13**	
Foreign exchange loss (gain)	**-**		**-**	
Tax effect of the adjustments above	**(50)**	(3)	**(53)**	
Adjusted Net Income	**$252**	$(4)	**$248**	
Adjusted Diluted Weighted Shares Outstanding	**277**	9	**286**	
Adjusted Diluted Earnings Per Share	**$0.91**		**$0.87**	Range of $0.93 to $0.98

Adjusted EBITDA reconciliation

($ millions, except percentages)	2023	2022	2021	2020	2019	2018
Net income	**$54**	**$183**	**$78**	**$103**	**$69**	**$47**
Add back (deduct):						
Share-based compensation	21	25	75	29	13	6
Acquisition, integration and other	55	40	23	59	7	4
Depreciation and amortization	324	258	257	182	92	50
Changes in business combination-related provisions	(20)	-	-	(74)	(14)	(13)
Interest expense	144	41	44	46	36	23
Foreign exchange (gain) loss	-	(7)	(1)	(2)	(3)	8
Income taxes	5	67	64	48	26	22
Adjusted EBITDA	**$583**	**$607**	**$540**	**$391**	**$226**	**$147**
Net income margin	*2.0%*	*7.4%*	*3.6%*	*6.5%*	*6.8%*	*5.6%*
Adjusted EBITDA Margin	*21.5%*	*24.6%*	*24.6%*	*24.7%*	*22.1%*	*17.6%*
Net income 5-year CAGR	***3%***	***34%***				
Adjusted EBITDA 5-year CAGR	***32%***	***40%***				

Adjusted EBITDA – modified presentation

The following table presents the adjustments to the reconciliation of full-year 2023 Adjusted EBITDA to reflect the modified presentation of such measure that we will begin to report in the first quarter of 2024, along with the comparable 2024 outlook for Adjusted EBITDA under the modified presentation.

(millions, except percentages)	2023	Adjustments to presentation	2023 (modified presentation)	2024 Outlook (modified presentation)
Net income	**$54**		**$54**	
Add back (deduct):				
Share-based compensation	**21**	(21)	**-**	
Acquisition, integration and other	**55**		**55**	
Depreciation and amortization	**324**		**324**	
Changes in business combination-related provisions	**(20)**	20	**-**	
Interest expense	**144**		**144**	
Foreign exchange loss (gain)	**-**		**-**	
Income taxes	**5**	-	**5**	
Adjusted EBITDA	**$583**	$(1)	**$582**	Range of $623 to $643
Adjusted EBITDA Margin	**21.5%**		**21.5%**	Range of 22.3% to 22.6%

Free Cash Flow reconciliation

(millions)	2023	2022	2021	2020	2019	2018
Cash provided by operating activities	**$498**	**$437**	**$311**	**$297**	**$157**	**$109**
Less: capital expenditures	(93)	(104)	(101)	(74)	(63)	(51)
Free Cash Flow	**$405**	**$333**	**$210**	**$223**	**$94**	**$58**
Cash provided by operating activities 5-year CAGR	***36%***	***35%***				
Free Cash Flow 5-year CAGR	***48%***	***43%***				

Calculation of Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement

As at (millions, except for ratio)	December 31, 2023	December 31, 2022
Outstanding credit facility	$1,463	$742
Contingent facility utilization	7	7
Liability related to provisions for written put options[1]	68	–
Net derivative liabilities	–	1
Cash balance[2]	(127)	(125)
Net Debt as per credit agreement	**$1,411**	**$625**
Adjusted EBITDA (trailing 12 months)	**$583**	**$607**
Adjustments required as per credit agreement	$(85)	$(63)
Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement	**2.8**	**1.1**

[1] Reflects the undiscounted amount payable in cash on the estimated provisions for written put options arising from our acquisition of WillowTree.
[2] Maximum cash balance permitted as a reduction to net debt, as per the credit agreement, is $150 million as at December 31, 2023 and 2022.

Thank you!

Investor Relations Contact

Jason Mayr

Head of Investor Relations & Treasurer

(604) 695-3455 | ir@telusinternational.com

TELUS® International