TELUS International

Q2 2022 Highlights

August 5, 2022

Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements concerning our expected financial results for full-year 2022, 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 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, as updated by our second quarter 2022 Management’s Discussion and Analysis filed on SEDAR and as Exhibit 99.2 to our Form 6-K filed on EDGAR.

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, measures prepared in accordance with GAAP. For an explanation of these non-GAAP financial measures and a reconciliation to the most comparable GAAP measures, please see Non-GAAP section of this presentation.

Currency

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

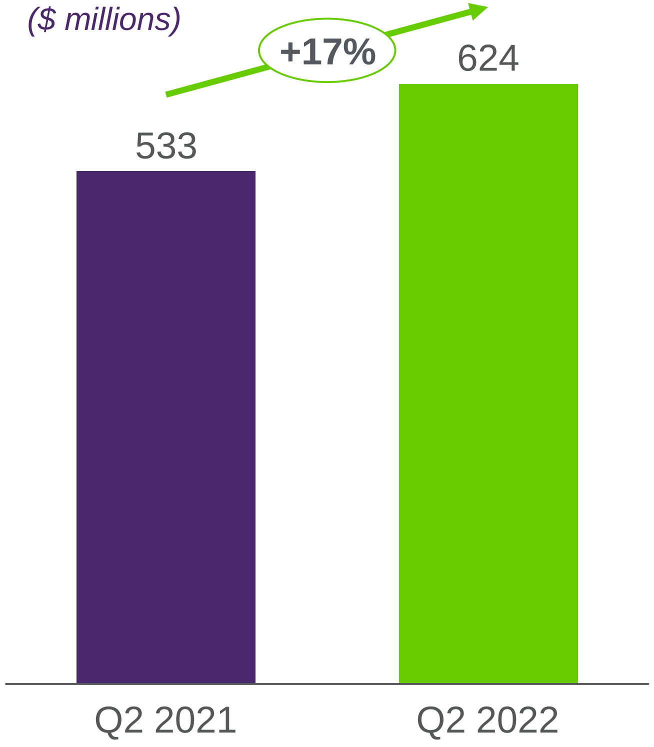
Fundamental, long-term drivers fuel profitable growth

- Strong double-digit revenue growth, leading margins and solid cash flow
- Continued growth with Tech & Games, eCommerce & Fintech clients
- Strong demand for new economy services: AI Data Solutions and Trust & Safety
- Further de-leveraging and ample available liquidity to invest in growth
- Reaffirmed outlook demonstrates confidence despite challenging macro backdrop

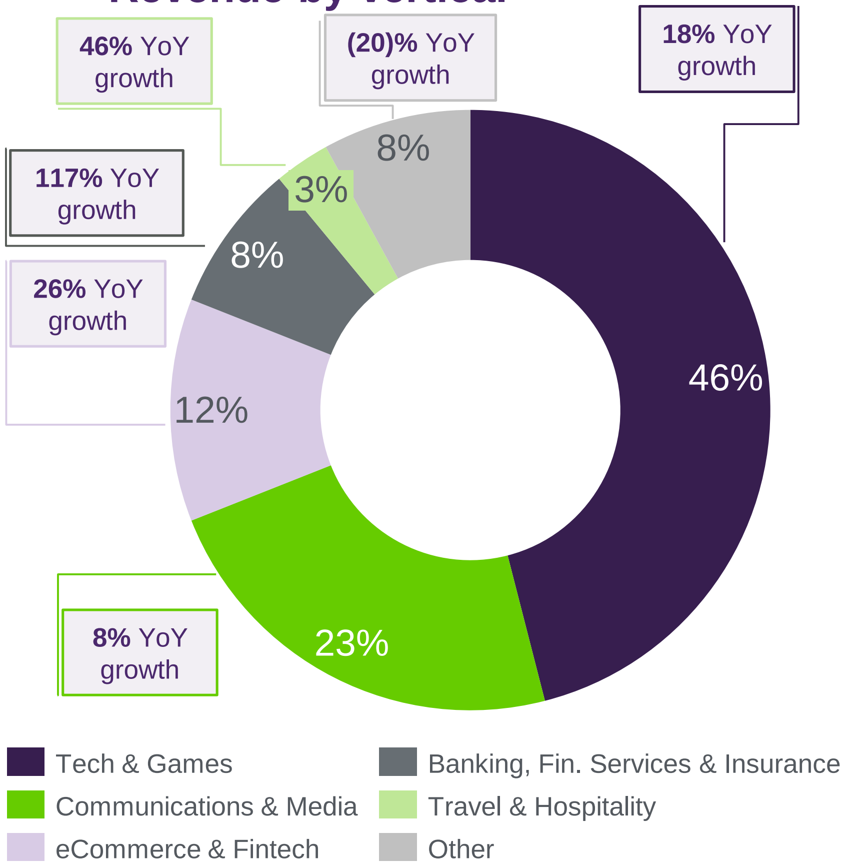
Q2 2022 | Solid double-digit growth and diversified streams of revenue

Total revenue

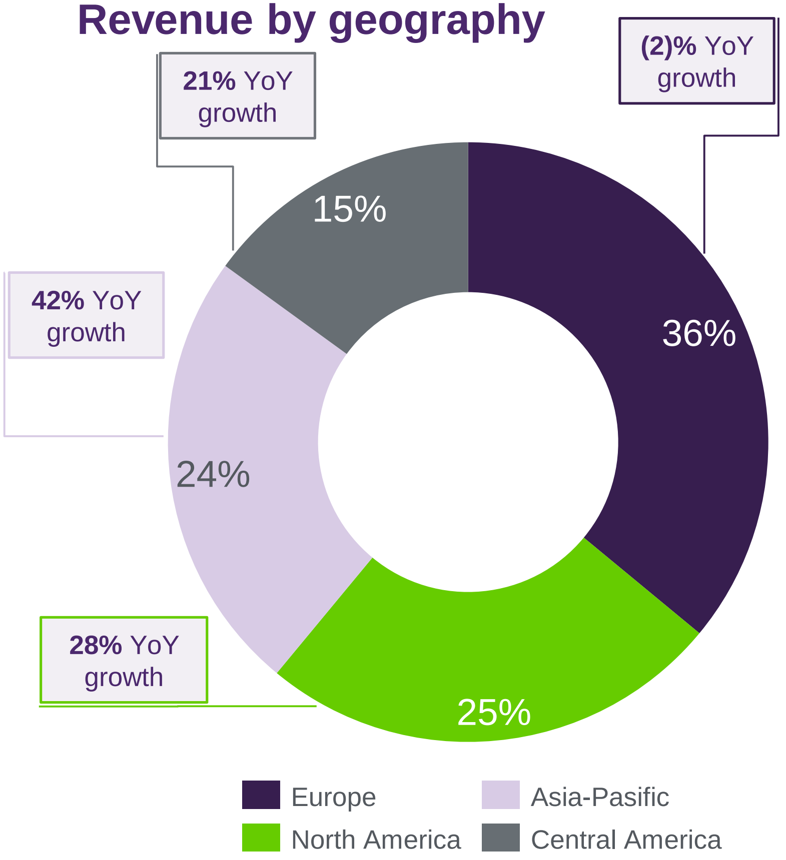
($ millions)



Revenue by vertical



Revenue by geography



- Revenue growth of 17% and 21% on a constant currency basis[1]

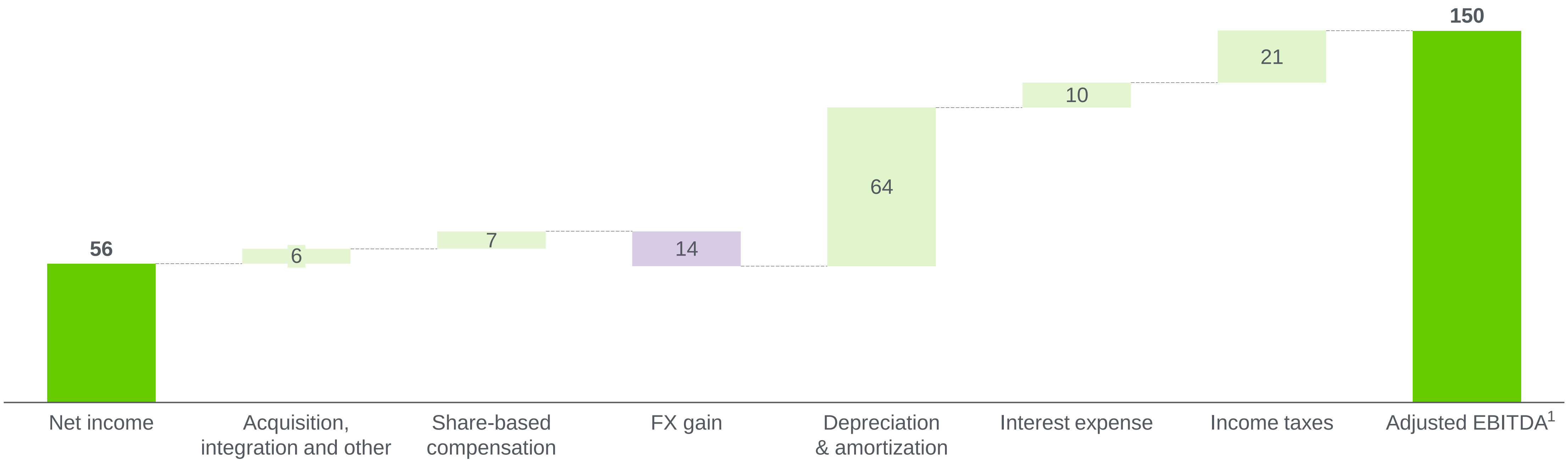
[1] Revenue growth on a constant currency basis is a non-GAAP ratio. See Non-GAAP section of this presentation.

Q2 2022 | Strong profitability

Three months ended June 30, 2022

($ millions)

- Q2 2022 Adjusted EBITDA Margin[1] was 24.0%

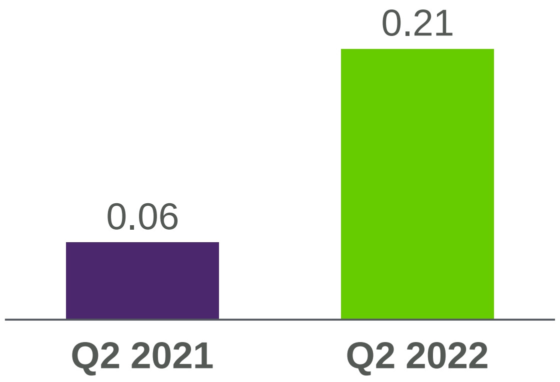


Q2 2021	**16**	7	19	(1)	65	12	13	**131**

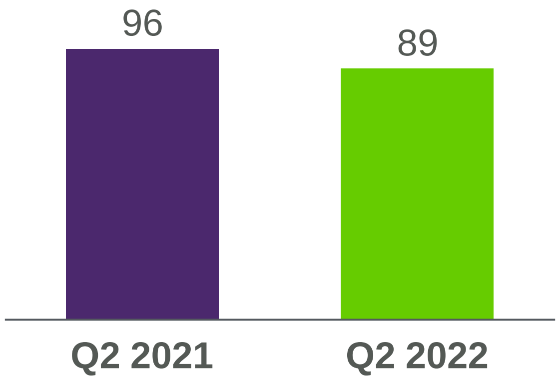
[1] Adjusted EBITDA is a non-GAAP financial measure and Adjusted EBITDA Margin is a non-GAAP ratio, which do not have a standardized meaning under IFRS and may not be comparable with similar measures and ratios presented by other issuers. For a description of the composition of Adjusted EBITDA and Adjusted EBITDA Margin, as well as an explanation of their uses and a reconciliation to the most comparable GAAP measures, see Non-GAAP section of this presentation.

Q2 2022 | Increasing earnings and meaningful cash flows

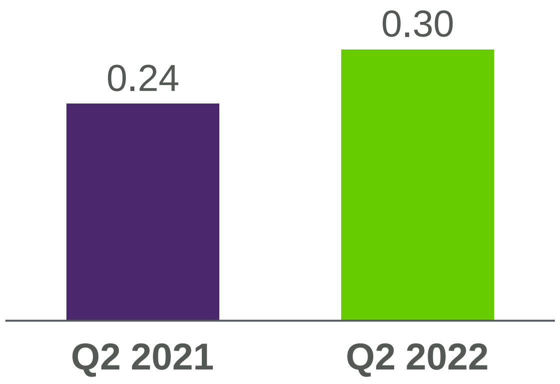
Diluted EPS
($)



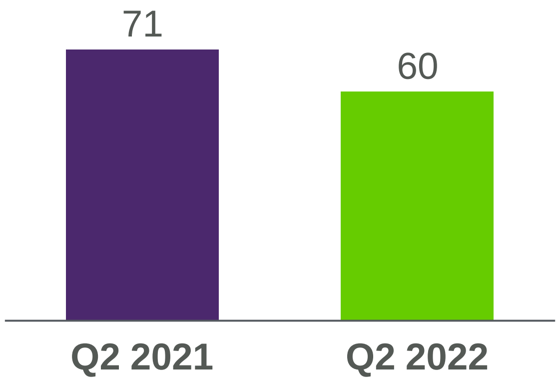
Cash provided by operating activities
($ millions)



Adjusted Diluted EPS[1]
($)



Free Cash Flow[1]
($ millions)



- Q2 2022 year-over-year changes in cash provided by operating activities and Free Cash Flow were primarily due to higher outflows from working capital and cash taxes paid
- **In the first half of 2022**, cash provided by operating activities was $213 million, up 61%, and Free Cash Flow was $159 million, up 79%, primarily driven by higher operating profits and a decrease in interest and income taxes paid, partially offset by higher net working capital outflows

[1] Free Cash Flow is a non-GAAP financial measure and Adjusted Diluted EPS is a non-GAAP ratio, 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 Free Cash Flow and Adjusted Diluted EPS, as well as an explanation of their uses and a reconciliation to the most comparable GAAP measures, see Non-GAAP section of this presentation.

Q2 2022 | Ability and capacity to invest in growth

- Continued improvement in leverage and liquidity position
- Meaningful capacity for potential strategic acquisition opportunities, leveraging successful M&A playbook

	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022
Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement[2]	2.1x	1.8x	**1.5x**

Available liquidity[1]

($ millions)

[1] Available liquidity is comprised of cash and cash equivalents and available borrowings under revolving credit facilities.
[2] Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement is 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.

FY2022 Outlook | Continued double-digit profitable growth at scale in 2022

Revenue	**$2,550 – $2,600 million** ***16.2% – 18.5%*** YoY reported ***20% – 22%*** YoY constant currency[1]
Adjusted EBITDA Margin[2]	**~24%**
Adjusted Diluted EPS[2]	**$1.18 – $1.23**

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

[1] Given the recent depreciation of the euro relative to the U.S. dollar, we now assume an average exchange rate of one euro to 1.02 U.S. dollars for Q3 and Q4 2022 (our previous outlook assumed one euro to 1.08 U.S. dollars). Revenue growth on a constant currency basis is a non-GAAP ratio. See Non-GAAP section of this presentation.

[2] 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 ratios presented by other issuers. For a description of the composition of Adjusted EBITDA Margin and Adjusted Diluted EPS, as well as an explanation of their uses and a reconciliation to the most comparable GAAP ratios, see Non-GAAP section of this presentation.

On track to deliver sustainable and growing shareholder value

Growth and operating leverage

- Track record of double-digit revenue growth ✓
- Operating leverage / margin expansion ✓
- Investment for growth ✓

Optimized capital structure

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

[1] Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement is calculated by dividing Net Debt as per credit agreement by Adjusted EBITDA (trailing 12 months) and other adjustments required as per credit agreement. Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement target range excludes the impact of potential future acquisitions.

Non-GAAP

Non-GAAP

This presentation includes non-GAAP financial information, with reconciliation to GAAP measures presented on the following pages. We report certain non-GAAP measures used in the management analysis of our performance, but these do not have a standardized meaning under IFRS. These non-GAAP financial measures and non-GAAP ratios may not be comparable to GAAP measures or GAAP 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, and Free Cash Flow are non-GAAP financial measures, while Adjusted EBITDA Margin and Adjusted Diluted EPS are a non-GAAP ratios.

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 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 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 as we believe they are driven by factors that are not indicative of our ongoing operating performance, including changes in business combination-related provisions, acquisition, integration and other, share-based compensation, foreign exchange gains or losses and 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 measure are included on the following pages.

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 diluted total weighted average number of equity shares outstanding during the 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 using foreign exchange rates prevailing in the comparable prior period.

Revenue growth on a constant currency basis reconciliation

(US$ millions, except percentages)	Second Quarter	
(unaudited)	2022	2021
Revenue, as reported	**$624**	**$533**
Foreign exchange on 2022 revenue using 2021 rates	23	
Revenue on a constant currency basis	**$647**	
Revenue growth	*17%*	
Revenue growth on a constant currency basis	*21%*	

Adjusted Net Income reconciliation

(US$ millions, except per share amounts)	Second Quarter	
(unaudited)	2022	2021
Net income	**$56**	**$16**
Add back (deduct):		
Acquisition, integration and other	6	7
Share-based compensation	7	19
Foreign exchange gain	(14)	(1)
Amortization of purchased intangible assets	31	34
Tax effect of the adjustments above	(5)	(12)
Adjusted Net Income	**$81**	**$63**
Basic EPS	$0.21	$0.06
Diluted EPS	$0.21	$0.06
Adjusted Basic EPS	$0.30	$0.24
Adjusted Diluted EPS	$0.30	$0.24
Total Weighted Average Shares Outstanding (millions)		
Basic	266	266
Diluted	269	268

Adjusted EBITDA reconciliation

(US$ millions, except percentages)	Second Quarter	
(unaudited)	2022	2021
Net income	**$56**	**$16**
Add back (deduct):		
Acquisition, integration and other	6	7
Share-based compensation	7	19
Foreign exchange gain	(14)	(1)
Depreciation and amortization	64	65
Interest expense	10	12
Income taxes	21	13
Adjusted EBITDA	**$150**	**$131**
Net income margin	*9.0%*	*3.0%*
Adjusted EBITDA Margin	*24.0%*	*24.6%*

Free Cash Flow reconciliation

(US$ millions)	Second Quarter		First Half	
(unaudited)	2022	2021	2022	2021
Cash provided by operating activities	**$89**	$96	**$213**	$132
Less: capital expenditures	(29)	(25)	(54)	(43)
Free Cash Flow	**$60**	**$71**	**$159**	**$89**

Appendices

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

As at (US$ millions, except for ratio) (unaudited)	June 30, 2022	December 31, 2021
Outstanding credit facility	$848	$941
Contingent facility utilization	7	7
Net derivative liabilities	6	19
Cash balance[1]	(100)	(100)
Net Debt as per credit agreement	**$761**	**$867**
Adjusted EBITDA (trailing 12 months)	**$572**	**$540**
Adjustments required as per credit agreement	(77)	(118)
Net Debt to Adjusted EBITDA Leverage Ratio as per credit agreement	**1.5**	**2.1**

[1] A cash balance of $100 million is used in accordance with the maximum permitted under the credit agreement; actual cash balance as of June 30, 2022 and December 31, 2021 was $123 million and $115 million, respectively.

TELUS International

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