

inspired to be *the best*



# Shareholders Newsletter

JUNE 2023



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Dear Shareholders,

The past few months have been particularly eventful for Teleperformance Group in an environment full of challenges: an economic situation weakened by the banking crisis in the United States, the news surrounding the ChatGPT tool and its impact on our businesses, the growing need to protect consumers on social media through content moderation services, and the ongoing consolidation of the sector. Teleperformance continues to demonstrate the resilience of its profitable growth model, its capacity for innovation, and the strength of its TP Cube development strategy.

On April 25, we published solid first-quarter 2023 revenue, in line with 2022: a like-for-like\* increase in revenue of almost +9%, heralding another year of significant growth and margin gains. This is reflected in new annual objectives: recurring like-for-like revenue growth between +8% and +10% despite the unfavorable impact on growth of longer time-to-signature for major contracts in the United States and the development of offshore activities, and a 50 basis-point increase in EBITA margin to 16%.

On April 26, Teleperformance announced its proposed acquisition of Majorel for €3 billion. Not only does the Majorel acquisition fit with our TP Cube strategy, it also marks an assertive step towards opportunity. Majorel is a high quality, solid, profitable, and mostly European market-focused company with a great growth profile. The company is performing well in the third and fourth biggest outsourcing markets worldwide (Germany and France) where Teleperformance has a relatively small presence, as well as in Asia and Africa, markets with strong potential. The acquisition of Majorel is accretive for Teleperformance shareholders from the first year, and will generate €100-150 million in cost synergies plus substantial revenue synergies.

\* excluding Covid contracts

Dynamic business services companies like Teleperformance thrive with advancements in technology. In the past 10 years, integration of bots, RPA and AI have directly contributed to Teleperformance's sustained growth and improved profitability. ChatGPT will help us to further increase productivity, improve the accuracy of our solutions, and both employee and client satisfaction. Like previous technologies, we believe that ChatGPT will open up additional opportunities for Teleperformance. In fact,

our AI teams are already using this technology to help us to *Deliver Better and Sell More*.

*“Dynamic business services companies like Teleperformance thrive with advancements in technology”*

ESG best practices are being rolled out to support this long-term journey. In this respect, Teleperformance has signed a worldwide partnership with the international trade union federation

UNI Global Union to promote social dialogue and freedom of association in our operations. These commitments were renewed at the first worldwide convention between UNI Global Union and Teleperformance in Bucharest last March, and recently formalized by signing an agreement with the Utraclaro union in Colombia.

On behalf of all the Teleperformance teams, we would like to thank you, as shareholders, for your support and your confidence, expressed in particular by your votes at our Annual General Meeting held on April 13. Your votes are also key to helping us through the current difficult period of high volatility in the financial markets. By communicating better and more often, and by learning from our mistakes while capitalizing on our successes, we are convinced that soon our stock market valuation will better reflect our value-creating business model, which remains intact.

Daniel Julien,  
Chairman and  
Chief Executive Officer



Cosmos  
Integrity



Earth  
Respect



Metal  
Professionalism



Air  
Innovation



Fire  
Commitment



Since April 2022, Teleperformance has supported education programs in India and in the Philippines, as well as global emergencies through its partnership with UNICEF.



Teleperformance's support of UNICEF's programs has helped to:

© UNICEF/UN0769149/Singh

**Equip 290,000 students**  
with school supplies in India

**Allocate an emergency fund**  
for victims of the earthquake  
in Turkey and Syria

**Provide 5,900 families**  
with health and  
hygiene products  
after typhoon  
Rai struck in the  
Philippines



UNICEF does not endorse any company, brand, product or service.



As a UN Global Compact signatory, Teleperformance is committed to upholding the right to freedom of association and collective bargaining.

Accordingly, the Group places quality social dialogue at the heart of its corporate culture.

## STRENGTHENING SOCIAL DIALOGUE



**FEBRUARY 2023**

### Teleperformance speaks at the OECD

Olivier Rigaudy, Deputy CEO of Teleperformance, spoke about his experience with the National Contact Point (NCP), the mediation body attached to the OECD for France.

In January 2023, the NCP commended the Group's successful implementation of the OECD's principles and recommendations on employee protection and social dialogue.

**MARCH 2023**


### First global convention with UNI Global Union



The first global convention between UNI Global Union and Teleperformance was held in Bucharest, Romania. The event was attended by Olivier Rigaudy, Deputy CEO of Teleperformance, and Christy Hoffman, General Secretary of UNI Global Union.

The meeting was part of the global agreement signed between the two parties in December 2022 to strengthen their shared commitments to workers' rights to form trade unions and engage in collective bargaining.

These commitments took shape with the signing of an agreement with Ultraciaro and UNI Global Union in Colombia in April 2023.

 [CLICK HERE](#) to read the agreement between Teleperformance and UNI Global Union

## LATEST NEWS

### Teleperformance celebrated Women's Day on March 8, 2023

In the Philippines, the 2023 TP Women Summit invited women leaders from across the Group to speak on the topic of equity in the workplace. The event was also an opportunity to celebrate five years of the global TP Women initiative.



### Teleperformance partners with world-class athletes

Discover the exceptional story of James Rose who climbed Kilimanjaro and Mount Toubkal, the highest peak in the Atlas Mountains, despite his disability.



#inspired to be *the best*

 [CLICK HERE](#) to discover the exceptional story of James Rose



## On April 26, 2023, Teleperformance announced its planned acquisition of Majorel, a major business services provider.

This acquisition illustrates the TP Cube development strategy whereby the Group is positioning itself as the preferred partner for its clients' digital transformation by deploying its expertise in integrated digital solutions by geography and client vertical.

Expansion of Digitally Integrated Business Services



Strengthened expertise in key client verticals

Enhanced leadership and global presence in both major markets and delivery footprints

### A highly strategic acquisition:

- Expanding Teleperformance's geographic footprint in key European markets (France and Germany);
- Creating a large company in Asia and Africa, two of the biggest geographic opportunities for the future;
- Strengthening expertise in dynamic client verticals, such as financial services and luxury goods;
- Sharing our strategic vision and corporate culture with Majorel.

### A highly value-creating acquisition:

- Significant cost synergies of between €100m and €150m per year
- Significant earnings per share accretion of more than +10% including run-rate cost synergies.

### Maintaining financial flexibility:

- Total amount of the acquisition: €3bn including €2bn in cash and €1m in shares
- Leverage of around 1.8x 2023 EBITDA after the acquisition
- Maintaining a strong credit rating: BBB (S&P)
- Continuing the strategy of targeted, value-creating acquisitions based on the TP Cube approach.

### TO KNOW MORE ABOUT



majorel

(2022 data)

€2,080m  
IN REVENUE

82,000  
EMPLOYEES

500 GLOBAL  
CLIENTS

A PRESENCE IN  
45 COUNTRIES

130+ MARKETS

70+  
LANGUAGES

160+  
SITES



**CLICK HERE**  
to read the press release  
of April 26, 2023



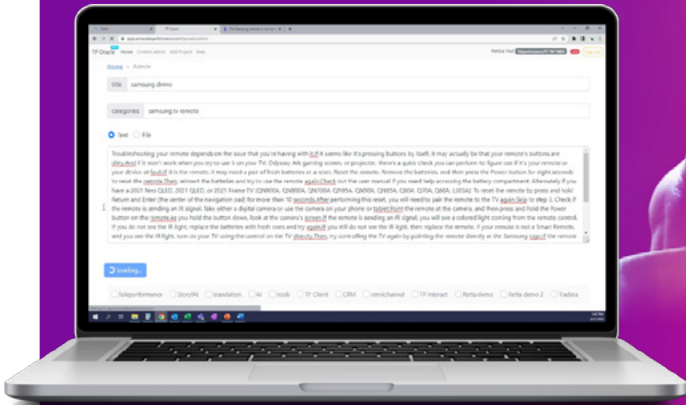
*"The acquisition of Majorel is a fantastic opportunity for all Teleperformance partners. Our clients will benefit from an enhanced expertise in all key markets worldwide. Our employees will thrive in a broader multicultural environment, combining high-touch and high-tech. And our shareholders will benefit from greater value creation from the first year."*

Daniel Julien, Chairman and Chief Executive Officer

# "ChatGPT is a great opportunity." It has already been used in process automation by Teleperformance since 2021

The integration of ChatGPT into Teleperformance's automation processes (TP GenAI) makes interactions even simpler, faster, and better.

TP GenAI can also integrate other technologies similar to ChatGPT. Regardless of the technologies used, Teleperformance implements a dedicated data security environment.



## MORE ABOUT

### ChatGPT



ChatGPT is a next generation conversational bot developed by OpenAI.

This highly flexible tool is based on artificial intelligence. It can generate very high quality text content thanks to its language model which uses a large amount of data.

**But there are many risks and challenges associated with the development of this tool, such as the lack of confidentiality for user input and the varying reliability of its output.**

### The Call2Summary solution offers significant efficiency gains by transcribing and summarizing calls using ChatGPT

SIMPLER  
Training time reduced by  
**50%**

FASTER  
Average handling time reduced by  
**40%**

BETTER  
Errors reduced by  
**90%**

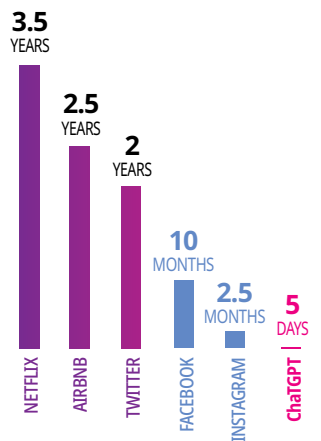


*"ChatGPT is a great opportunity to continue developing new and more efficient hybrid solutions combining automation and employee expertise. Teleperformance is also using this technology to speed up the transformation of its own operations, including hiring and training."*

**Bhupender Singh,**  
President of Transformation, Teleperformance

The launch of the mainstream version of ChatGPT in November 2022 was a great success. It became the fastest online platform to reach one million users in only 5 days!

#### Time to reach 1 million users\*



\*Source: Statista



## Teleperformance deploys services and solutions that meet increasingly complex demand from clients around the world.

The Group' strong position in the social media and financial services verticals illustrates TP Cube's success.

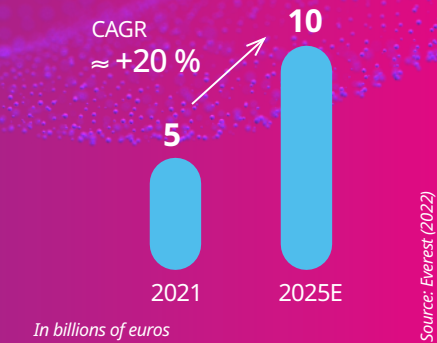


### Content moderation (Trust & Safety): a fast-growing market

The need for content moderation has surged dramatically with the boom in digital technology and social media.

This service is essential in today's society to protect Internet users from offensive content. Beyond content moderation, the Trust & Safety business line also includes data protection, regulatory compliance monitoring, and preservation of brand reputation.

#### A market expected to double in size in four years



Source: Everest (2022)

### LATEST NEWS

In March 2023, Teleperformance confirmed that it would resume offering full-service content moderation, a decision welcomed by employee representatives.

The Group is one of the few companies in the world that can provide this service professionally, at a global scale, while ensuring employees' well-being.



### Strategic partnership signed with Mastercard

The partnership announced in March 2023 aims to develop integrated payment solutions for the fintech and financial services companies in Latin America. Teleperformance's expertise in digital transformation, back-office services, and customer experience will improve the omnichannel client journey.

### DID YOU KNOW?

Teleperformance already provides support services to more than 200 banks, payment providers, and fintechs globally.

In 2022, the banking, financial services & insurance sector represented 14% of the Group's total revenue.



*"With this partnership, Teleperformance is strengthening its position in Latin America, a very dynamic market for digital and payment companies."*

**Mamta Rodrigues**, Teleperformance Global President of Banking, Financial Services & Insurance.



## “A solid and promising first quarter”

Three questions for Olivier Rigaudy, Deputy CEO and Group CFO

01

### What are the key takeaways from the first-quarter 2023 revenue figures?

During the first quarter of 2023, Teleperformance posted solid and diversified growth. Revenue came in at €2,006 million, representing a year-on-year increase of +8.6% on a like-for-like basis, excluding Covid contracts. This sustained performance, delivered against a backdrop of continued economic and geopolitical uncertainty, attests to the resilience and diversity of the Group's client portfolio, as well as the validity of its TP Cube growth strategy.

02

### What drove this excellent performance?

During the first quarter, the success of this strategy was demonstrated by rapid business growth in the financial services and travel sectors, as well as with government agencies (excluding Covid contracts), and in Trust & Safety. This performance was notably driven by the accelerated expansion of offshore activities, which lowered the level of revenue growth but conversely had a positive impact on earnings. Lastly, Specialized Services also expanded at a

sustained pace, led by the continued recovery of TLScontakt's visa application management business, which benefited from China's reopening in particular, and the steady development of LanguageLine Solutions' online interpretation business.

03

### What is the outlook for the full year?

Our solid first quarter promises to usher in another year of significant growth and margin gains. The Group should continue to benefit from healthy sales momentum in the financial services, travel, and content moderation sectors. For full-year 2023, we are targeting like-for-like revenue growth excluding Covid contracts of between +8% and +10% as well as EBITA margin of around 16%, a record high for Teleperformance.



**CLICK HERE**  
to download the press release published on April 25, 2023

## KEY FIGURES

FIRST-QUARTER 2023

REVENUE:

€2,006m

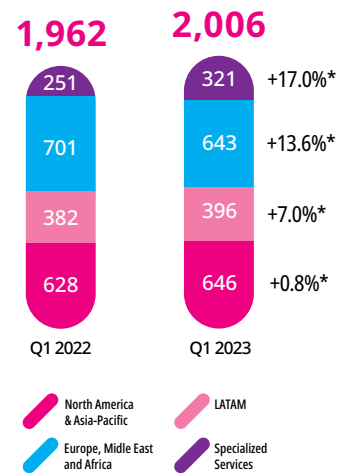
+8.6%

Like-for-like growth excluding Covid contracts\*

+1.9%

Like-for-like growth\*\*

## REVENUE BY ACTIVITY (€m)



\* At constant scope of consolidation and exchange rates, excluding Covid support contracts  
\*\* At constant scope of consolidation and exchange rates

## TELEPERFORMANCE SHARE PRICE PERFORMANCE (IN €) COMPARED TO THE CAC 40\* INDEX FROM JANUARY 1, 2018



\*Compared to the CAC 40 index rebased on Teleperformance share price as of January 1, 2018

## STRONG GROWTH OUTLOOK FOR 2023 AND REVISED TARGETS

- Like-for-like revenue growth target, excluding Covid contracts, of between +8% and +10%
- EBITA margin target raised to around 16%, a record high, versus 15.7% previously
- Further targeted acquisitions capable of creating value based on the TP Cube strategy

## SHAREHOLDER MEETING

Teleperformance's Combined General Meeting was held in Paris on April 13, 2023, with strong participation from shareholders. This special moment for sharing information and ideas between the Group and its shareholders was also broadcast live.

 **CLICK HERE** to watch this unique event



**100%**  
of the  
resolutions  
adopted

**Payment of a dividend  
per share of €3.85,**  
up +16.7% compared  
to last year

## APPOINTMENT OF TWO NEW DIRECTORS

The Board continues to diversify in terms of expertise and nationalities with the appointment of Bhupender Singh and Varun Bery.



**Bhupender Singh**, currently Chief Transformation Officer of the Group, and a member of its Executive Committee, brings expertise in digital and new technologies.



**Varun Bery**, a dual Chinese-Indian national, brings expertise in financial matters and deep knowledge of Asian markets.

**Teleperformance, a global leader  
in digital business services**

**410,000+**  
employees

**~50%**  
working from home

**91**  
countries

**300+**  
languages

**Nearly  
1,200**  
clients

**170**  
markets

## SHARE INFORMATION

### LISTING

Euronext Paris, compartiment A

#### Symbols:

Ticker Euronext : TEP – ISIN : FR0000051807  
Reuters : TEPFR.PA – Bloomberg : TEP FP

#### Euronext sector classification:

Professional Business Support Services (ICB)

#### Number of outstanding shares:

59,120,842 as of April 30, 2023

#### Market capitalization:

€11bn as of April 30, 2023

**Global indices:** CAC 40, SBF 120, STOXX 600, MSCI Global Standard and S&P Europe 350

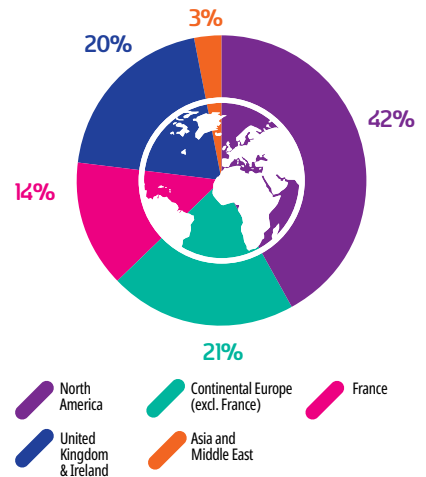
**ESG indices:** CAC 40 ESG (since 2022) Euronext Vigeo Euro 120 (since 2015), EURO STOXX 50 ESG (since 2020), MSCI Europe ESG Leaders (since 2019), FTSE4Good (since 2018), and S&P Global 1200 ESG (since 2017)

**MSCI ESG rating:** AA

### CAPITAL

Nearly 650 identified institutional investors from around the world owned 84% of the share capital as of February 2023.

#### Geographical breakdown of institutional investors\*



\*Based on the country of the company owning the shares

### SAVE THE DATE

(indicative calendar)

**July 26, 2023**

First-half 2023 results

**November 2, 2023**

Third-quarter 2023 revenue

## LET'S KEEP IN TOUCH!

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