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2021 half-year financial report

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1. Condensed consolidated interim financial statements

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1.1 Condensed consolidated statement of financial position (in millions of euros)

ASSETS	Notes	06/30/2021	12/31/2020
Non-current assets			
Goodwill	4	2,736	2,106
Other intangible assets		935	951
Right-of-use assets		590	620
Property, plant and equipment		556	569
Financial assets		58	53
Deferred tax assets		59	45
Total non-current assets		4,934	4,344
Current assets			
Current income tax receivable		109	105
Accounts receivable - Trade	3.2	1,460	1,307
Other current assets	3.2	241	197
Other financial assets		52	75
Cash and cash equivalents	8.5	851	996
Total current assets		2,713	2,680
TOTAL ASSETS		7,647	7,024
EQUITY AND LIABILITIES	Notes	06/30/2021	12/31/2020
Equity			
Share capital	6.1	147	147
Share premium		575	575
Translation reserve		-278	-386
Other reserves		2,200	2,073
Equity attributable to owners of the Company		2,644	2,409
Non-controlling interests		0	0
Total equity		2,644	2,409
Non-current liabilities			
Post-employment benefits	9.1	32	30
Lease liabilities	7.2	484	512
Other financial liabilities	7.2	2,456	2,196
Deferred tax liabilities		228	236
Total non-current liabilities		3,200	2,974
Current liabilities			
Provisions	9.1	75	63
Current income tax		163	114
Accounts payable - Trade	3.5	276	227
Other current liabilities	3.5	765	675
Lease liabilities	7.2	162	162
Other financial liabilities	7.2	362	400
Total current liabilities		1,803	1,641
TOTAL EQUITY AND LIABILITIES		7,647	7,024

1.2 Condensed consolidated statement of income (in millions of euros)

	Notes	1 st HY 2021	1 st HY 2020
Revenues	3.1	3,431	2,660
Other revenues	3.1	3	5
Personnel		-2,363	-1,831
External expenses	3.6	-380	-372
Taxes other than income taxes		-13	-12
Depreciation and amortization		-108	-101
Amortization of intangible assets acquired as part of a business combination		-49	-54
Depreciation of right-of-use assets (personnel-related)		-6	-6
Depreciation of right-of-use assets		-85	-91
Impairment loss on goodwill		0	-34
Share-based payments	3.4	-31	-10
Other operating income and expenses		-1	
Operating profit		398	154
Income from cash and cash equivalents		3	2
Gross financing costs		-27	-22
Interest on lease liabilities		-20	-23
Net financing costs	7.1	-44	-43
Other financial income and expenses	7.1	0	-7
Financial result		-44	-50
Profit before taxes		354	104
Income tax	5	-99	-41
Net profit		255	63
Net profit - Group share		255	63
Net profit attributable to non-controlling interests			
Earnings per share (in euros)	6.3	4.34	1.08
Diluted earnings per share (in euros)	6.3	4.31	1.08

1.3 Condensed consolidated statement of comprehensive income (in millions of euros)

	1 st HY 2021	1 st HY 2020
Net profit	255	63
May not be reclassified to profit or loss in a subsequent period		
May be reclassified to profit or loss in a subsequent period		
Gains (losses) on hedging instruments (before tax)	-34	-13
Income tax on gains (losses) on hedging instruments	9	5
Translation differences	108	-124
Other recognized income and expenses	83	-132
Total comprehensive income (loss)	338	-69
Group share	338	-69
Attributable to non-controlling interests	0	0

1.4 Condensed consolidated statement of cash flows (in millions of euros)

Cash flows from operating activities	Notes	1 st HY 2021	1 st HY 2020
Net profit - Group share		255	63
Income tax expense		99	41
Net financial interest expense		19	16
Interest expense on lease liabilities		20	23
Non-cash items of income and expense	8.1	275	280
Income tax paid		-73	-62
<i>Internally generated funds from operations</i>		595	361
<i>Change in working capital requirements</i>	8.2	-38	80
Net cash flow from operating activities		557	441
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipment		-100	-120
Acquisition of subsidiaries, net of cash acquired	8.3	-573	
Proceeds from disposals of intangible assets and property, plant and equipment		2	
Net cash flow from investing activities		-671	-120
Cash flows from financing activities			
Acquisition net of disposal of treasury shares		4	3
Dividends paid to parent company shareholders		-141	
Financial interest paid		-15	-15
Lease payments		-111	-114
Increase in financial liabilities		608	574
Repayment of financial liabilities		-383	-530
Net cash flow from financing activities		-38	-82
<i>Change in cash and cash equivalents</i>		-152	239
<i>Effect of exchange rates on cash held</i>		10	22
Net cash at January 1st	8.4	993	409
Net cash at June 30th	8.4	851	670

1.5 Condensed consolidated statement of changes in equity (in millions of euros)

	Attributable to owners of the Company								Total
	Share capital	Share premium	Translation reserve	Retained earnings	Impact of financial hedging instruments	Impact of actuarial gains and losses	Equity attributable to owners of the Company	Non-controlling interests	
At December 31st, 2019	147	575	10	1,828	13	-5	2,568	1	2,569
Translation differences from foreign operations			-124				-124		-124
Net profit				63			63		63
Net losses on cash flow hedges (after tax)					-8		-8		-8
Net actuarial losses on post-employment benefits							0		0
Total recognized income and expenses	0	0	-124	63	-8	0	-69	0	-69
Operations on non-controlling interests							0		0
Fair value of incentive plan share awards				10			10		10
Treasury shares				3			3		3
Dividends (€2.40 per share)				-141			-141		-141
Other							0		0
At June 30th, 2020	147	575	-114	1,763	5	-5	2,371	1	2,372
At December 31st, 2020	147	575	-386	2,050	30	-7	2,409	0	2,409
Translation differences from foreign operations			108				108		108
Net profit				255			255		255
Net losses on cash flow hedges (after tax)					-25		-25		-25
Net actuarial losses on post-employment benefits							0		0
Total recognized income and expenses	0	0	108	255	-25	0	338	0	338
Operations on non-controlling interests							0		0
Fair value of incentive plan share awards				32			32		32
Treasury shares				4			4		4
Dividends (€2.40 per share)				-141			-141		-141
Other				2			2		2
At June 30th, 2021	147	575	-278	2,202	5	-7	2,644	0	2,644

1.6 Notes to the condensed consolidated financial statements

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Highlights of the first half of 2021

On June 22nd, 2021, the Group finalized the acquisition of Health Advocate, a US corporation specializing in consumer health management business services and related digital solutions integration. The consideration for the transaction amounted to 693 million US dollars (see note 2 *Consolidation scope*).

In order to finance the acquisition, the Group obtained a bank loan of 300 million US dollars in October 2020, repayable over five years, and made a seven-year bond issue in November 2020 in the amount of €500 million. The principal features of the bank loan and the bonds are disclosed in note 7.2 *Financial liabilities*.

1. Principal accounting policies, judgements and estimates

1.1 Reporting entity

Teleperformance (“the company”) is a company domiciled in France.

The condensed consolidated interim financial statements of the company as at and for the six months ended June 30th, 2021 comprise the company and its subsidiaries (together referred to as “the Group”).

The consolidated financial statements of the Group for the year ended December 31st, 2020 are available upon request from the company’s registered office at 21/25 rue Balzac, 75008 Paris, or from its website (www.teleperformance.com).

All financial information presented in euro has been rounded to the nearest million unless otherwise specified.

1.2 Basis of preparation

These condensed consolidated interim financial statements as at and for the six months ended June 30th, 2021 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31st, 2020 which are included in the 2020 universal registration document D.21-0080 that was filed with the AMF (the French Stock Exchange regulator) on February 26th, 2021. The footnote disclosures have been selected in order to analyze the principal events that have occurred since the previous reporting date and their impact on these condensed consolidated interim financial statements,

and to obtain an understanding of the changes in the financial situation and of the performance of the Group over the reporting period.

The accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on July 28th, 2021.

1.3 Changes in accounting policies

New standards and interpretations applicable from January 1st, 2021

The amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 in the context of phase 2 of the interest rate benchmark reform came into force with effect from January 1st, 2021 but did not have a significant impact on the Group’s financial statements.

Following the conclusions of the IFRS IC in April 2021, in respect of the attribution of post-employment benefits to periods of service (IAS 19), the Group is in the process of determining their potential impact on the financial statements.

Standards and interpretations adopted by the European Union but not yet applicable as of June 30th, 2021

None.

1.4 Covid-19 pandemic

On March 11th, 2020, the Covid-19 epidemic was declared by the World Health Organization to have reached pandemic proportions. This world-wide health crisis had led numerous countries to bring in lockdown measures on a national scale and to impose severe restrictions on movement. Faced with this situation of an exceptional nature, the Group had decided as a priority to take all steps to safeguard its personnel and the continuity of its customers’ businesses, in addition to protecting its financial soundness, while complying with the laws, regulations or other instructions brought in by public administrations in the countries in which it operates. As of the end of June 2021, around 240,000 Group employees were working from home, compared with only 10,000 prior to the start of the health crisis.

The costs resulting from the measures of protection are no longer separately monitored and are included in recurring expenses.

In 2021, only the TLScontact business of visa application management services for government departments remained significantly affected.

1.5 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires making estimates and assumptions which affect the reported amounts in the financial statements, especially with respect to the following items:

- impairment of intangible assets and goodwill (note 4);
- the measurement of share-based payment expense (note 3.4);
- the measurement of derivative financial instruments (note 7.3);

- the measurement of intangible assets acquired as part of a business combination;
- the effective tax rate and uncertainty in accounting for income taxes (note 5).

The estimates are based on information available at the time of preparation of the financial statements, and may be revised in a future period if circumstances change, or if new information is available. Actual results may differ from these estimates.

2. Consolidation scope

On June 22nd, 2021, the Group finalized the acquisition of Health Advocate, a US corporation specializing in consumer health management business services and related digital solutions integration. Health Advocate is based in the United States and has approximately 700 employees. This is a strategic acquisition for the Group and reinforces its offer of high added-value specialized services in an extremely dynamic sector.

The transaction was announced on October 27th, 2020 and has since been approved by the relevant regulatory authorities. The consideration for the transaction amounted to 693 million US dollars, paid in cash, without any future contractual price adjustment clause. Related transaction costs amounted to 3.1 million US dollars, recognized in other operating expenses in 2020

(1.9 million US dollars) and first half 2021 (1.2 million US dollars).

The Group is in the process of measuring the assets and liabilities acquired with the assistance of independent advisors. In view of the acquisition date and the monetary amount of transactions between then and the reporting date, judged to be not significant, the acquiree has been consolidated with effect from June 30th, 2021. The impacts of the acquisition therefore affect only the condensed consolidated statement of financial position, using the acquiree's recorded amounts of assets and liabilities and residual provisional goodwill of €574.2 million. This amount is subject to adjustment in the coming months on finalization of the measurement of the assets and liabilities acquired.

<i>In millions of US dollars</i>	Provisional amounts at 06/30/2021
Non-current assets	
Intangible assets	6
Right-of-use assets	7
Property, plant and equipment	5
Total non-current assets	18
Current assets	
Accounts receivable - Trade	9
Other current assets	2
Cash and cash equivalents	13
Total current assets	24
TOTAL ASSETS	42

<i>In millions of US dollars</i>	Provisional amounts at 06/30/2021
Non-current liabilities	
Deferred tax liabilities	1
Lease liabilities	6
Total non-current liabilities	7
Current liabilities	
Provisions	2
Current income tax	3
Accounts payable - Trade	4
Other current liabilities	13
Lease liabilities	2
Total current liabilities	24
TOTAL LIABILITIES	31
Net assets, acquired 100%	11
Acquisition price	693
Provisional goodwill	682

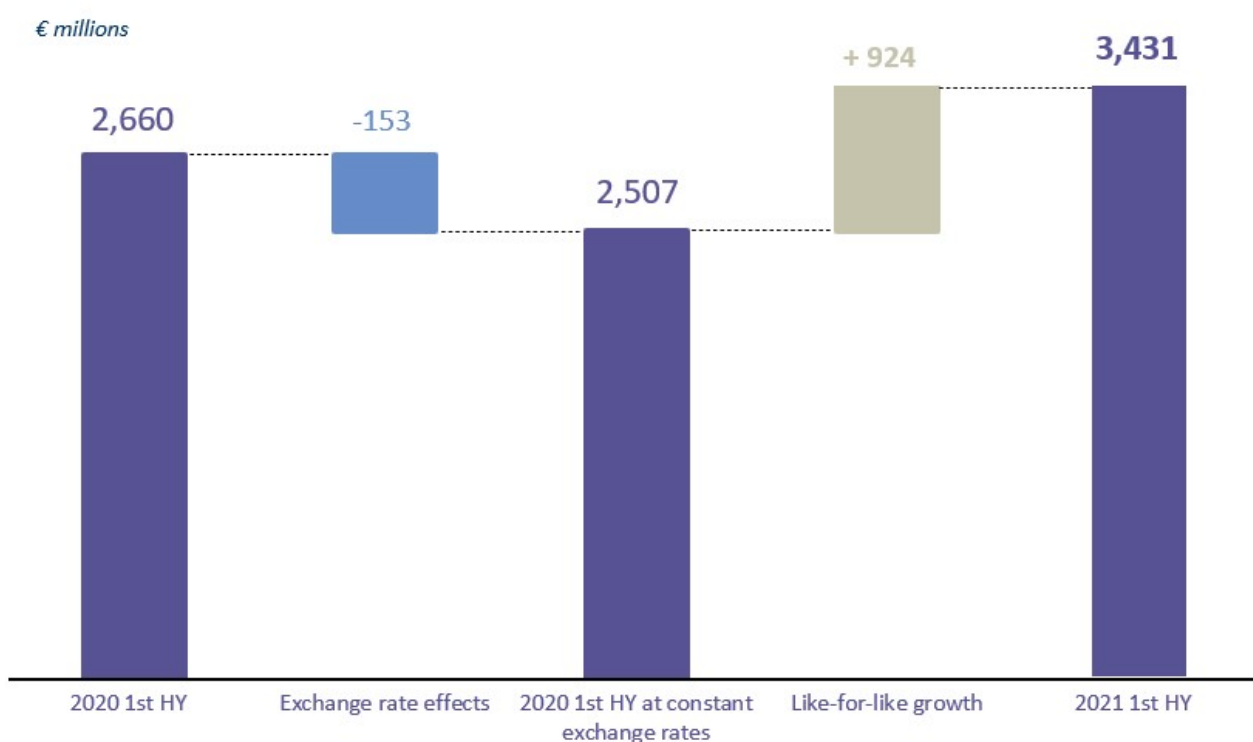
This acquisition is expected to strengthen the Group's world-wide leadership position as a specialist of high added-value solutions and to have a positive impact on Teleperformance's profitability ratios.

The acquiree's first half year revenues and net profit (excluding amortization of intangible assets related to the acquisition) amounted to 67.3 million US dollars and approximately 17.1 million US dollars, respectively.

3. Operational activity

3.1 Income

Revenues



Group revenues in the first half of 2021 amounted to €3 431.0 million, which represents an increase (on the basis of published figures) of 29.0% over the same period in 2020.

At constant exchange rates and consolidation scope, the increase amounts to 36.8%.

Other revenues

Other revenues are mainly from government grants.

During the first half of 2021, these amounted to €3.5 million, compared with €5.3 million in the same period of 2020. The 2020 amount included government subsidies totaling €4.4 million received in a number of countries in respect of the Covid-19 health crisis.

3.2 Accounts receivable - Trade

	06/30/2021		12/31/2020	
	Cost	Write-downs	Net	Net
Accounts receivable - Trade	1,482	-22	1,460	1,307
Total	1,482	-22	1,460	1,307

In view of the Covid-19 pandemic, the companies in the Group have closely monitored the credit risk associated with their customers to determine whether any expected credit losses should be recognized. No significant write-downs have been noted during the first half of 2021.

Factoring arrangements

A number of Group subsidiaries use factoring arrangements (representing the transfer of customer account balances without recourse, with assignment of the benefit under credit insurance policies) in order to sell their customer accounts receivable.

After reviewing the agreements, Group management considers that the contractual rights to receive the related cash flows have been transferred to the factor. The outstanding receivables concerned totaled €53.6 million and €58.8 million at June 30th, 2021 and December 31st, 2020, respectively, and have been derecognized.

Under the agreements, the Group retains the credit control and receipt functions in respect of the sold receivables on behalf of the factor.

3.3 Other current assets

Other current assets are as follows:

	06/30/2021		12/31/2020	
	Cost	Write-downs	Net	Net
Other receivables	32	-4	28	18
Taxation recoverable	129		129	112
Advances and receivables on non-current assets	7		7	7
Prepaid expenses	77		77	60
Total	245	-4	241	197

3.4 Share-based payments

Incentive share award plans – The July 29th, 2020 plan

Under the authorization given at the Shareholders' General Meeting of May 9th, 2019, and subject to a ceiling of 3% of the share capital of the company at the grant date, the Board of Directors' meeting of July 29th, 2020 approved:

- free awards in a total amount of 477,417 incentive plan shares to Group personnel, including company officers, and;
- the setting-up of a long-term incentive plan for company officers, with the free award of 58,333 performance shares, with the same features as the plan referred to below.

Effective transfer of the free shares is subject to performance conditions and to beneficiaries' continued presence.

There are three performance criteria; each criterion relates to the potential vesting of up to one-third of the individual award.

The first performance criterion concerns the Group's organic revenue growth (i.e. at constant consolidation scope and exchange rates) between the year ended December 31st, 2019 and the year ending December 31st, 2022:

Effective award %	0%	50%	75%	100%
Organic revenue growth	Less than 13.0%	Higher than or equal to 13.0%	Higher than or equal to 15.5%	Higher than or equal to 18.0%

The second performance criterion is based on the Group's operating EBITA margin in the year ending December 31st, 2022:

Effective award %	0%	50%	75%	100%
EBITA margin	Less than 14.3%	Higher than or equal to 14.3%	Higher than or equal to 14.4%	Higher than or equal to 14.5%

The third performance criterion is based on the performance of the Teleperformance SE share price exceeding that of the SBF 120 index over each of the three years of the plan.

Effective award %	0%	50%	75%	100%
Change in the share price	Less than 100 basis points	Higher than or equal to 100 basis points	Higher than or equal to 200 basis points	Higher than or equal to 300 basis points

Two additional overriding conditions are that organic revenue growth is at least 13% and that the EBITA margin is not less than 14.3%.

Other significant features of this plan are as follows:

	The July 29th, 2020 Plan
Date of board meeting allocating the awards	07/29/2020
Vesting period	07/29/2020 to 07/29/2023
Grant date	07/29/2020
Number of share awards*	535,750
Number of canceled awards	28,100
Number of outstanding share awards at June 30 th , 2021	507,650
Fair value of each share award at the grant date (taking into account the market condition)	€178.80
Fair value of each share award at the grant date (without taking into account the market condition)	€229.10
<i>* including for company officers</i>	<i>80,333</i>

Additional 2020 grant

Under the above-mentioned authorization, the Board of Directors' meeting of September 29th, 2020 approved free awards in a total amount of 4,000 incentive plan shares to Group personnel, including company officers. Effective transfer of the free shares is subject to the same conditions as those contained in the July 29th, 2020 plan.

Incentive share award plans – The June 3rd, 2019 plan

Under the authorization given at the Shareholders' General Meeting of May 9th, 2019, and subject to a ceiling of 3% of the share capital of the company at the grant date, the Board of Directors' meeting of June 3rd, 2019 approved:

- free awards in a total amount of 442,241 incentive plan shares to Group personnel, including company officers, and;
- the setting-up of a long-term incentive plan for company officers, with the free award of 58,333 performance shares, with the same features as the above-mentioned free awards.

Effective transfer of the free shares is conditional on performance conditions and on beneficiaries' continued presence. There are three performance criteria; each criterion relates to the potential vesting of up to one-third of the individual award.

- The first performance criterion concerns the Group's organic revenue growth (i.e. at constant consolidation scope and exchange rates) between the year ended December 31st, 2018 and the year ending December 31st, 2021;
- The second performance criterion is based on the Group's operating EBITA margin in the year ending December 31st, 2021;
- The third performance criterion is based on the performance of the Teleperformance SE share price exceeding that of the SBF 120 index over each of the three years of the plan.

Two additional overriding conditions are that organic revenue growth is at least 15% and that the EBITA margin is not less than 13.8%.

Other significant features of this plan are as follows:

	The June 3 rd , 2019 Plan
Date of board meeting allocating the awards	06/03/2019
Vesting period	06/03/2019 to 06/03/2022
Grant date	06/03/2019
Number of share awards*	500,574
Number of canceled awards	49,265
Number of outstanding share awards at June 30 th , 2021	451,309
Fair value of each share award at the grant date (taking into account the market condition)	€108.50
Fair value of each share award at the grant date (without taking into account the market condition)	€163.90
<i>* including for company officers</i>	80,333

The expense in respect of the above-mentioned award plans amounted to €31.0 million in the first half of 2021.

3.5 Accounts payable – Trade and Other current liabilities

	06/30/2021	12/31/2020
Accounts payable - Trade	276	227
Other payables	270	259
Taxes payable	83	83
Accrued expenses	346	264
Other operating liabilities	66	69
Total	1,041	902

Other operating liabilities at June 30th, 2020 include an amount of €9.8 million (December 31st, 2020: €14.6 million) in respect of the negative fair value of derivative financial instruments used for currency hedging.

3.6 External expenses

External expenses amounted to €379.6 million in the first half of 2021 compared with €371.9 million in the same period of 2020. They are comprised essentially of telephone communications costs, equipment maintenance costs, and all expenses related to the occupation of premises with the exception of lease expenses under contracts meeting the criteria of IFRS 16. Only lease expenses under contracts for low value assets or for short-term rentals are still included in external expenses. External expenses also include all expenses related to the protection of employees' health.

3.7 Segment reporting

Group activity as followed by the chief executive officer is split into the following segments and management regions:

- The core services & D.I.B.S. (Digital Integrated Business Services) segment which includes customer care, technical support and new customer acquisitions, in addition to the management of business processes, digital platform services and the high added-value consulting and data analysis offered by Teleperformance KS. It is divided into four principal management regions:

- English-speaking & APAC, which covers the activities in the following countries: Canada, USA, United Kingdom, South Africa, China, Indonesia, Philippines, Singapore, Malaysia and Japan,
 - Ibero-LATAM, which covers the activities in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Guyana, Guatemala, El Salvador, Peru, Mexico, Spain and Portugal,
 - Continental Europe & MEA, which covers the activities in Europe, with the exception of those in the United Kingdom, Spain and Portugal, as well as the Group's businesses in the Middle East and Africa,
 - India & other, which covers the activities in India and the analytics solutions business developed by its subsidiary, Teleperformance KS.
- The Specialized Services segment which includes the interpreting services of LanguageLine Solutions, the visa application management services for government departments offered by TLScontact and the accounts receivable credit management services of AllianceOne in North America. The activity of Health Advocate which consists principally in consumer health management business services will be included in this segment from July 1st, 2021.

Six months ended June 30 th , 2021	CORE SERVICES & D.I.B.S.					SPECIALIZED SERVICES		TOTAL
	English-speaking & APAC	Ibero-LATAM	Continental Europe & MEA	India & other	Holding companies			
Revenues	992	895	977	211		356	3,431	
Operating profit	48	113	138	26	-1	74	398	
Capital expenditure	20	37	22	9		12	100	
Intangible assets, right-of-use assets and other property, plant and equipment (carrying amounts)	1,025	533	426	851	6	1,976	4,817	
Depreciation and amortization of non-current assets	-67	-61	-45	-26	-1	-48	-248	

Six months ended June 30 th , 2020	CORE SERVICES & D.I.B.S.*					SPECIALIZED SERVICES		TOTAL
	English-speaking & APAC	Ibero-LATAM	Continental Europe & MEA	India & other	Holding companies			
Revenues	856	711	583	194		316	2,660	
Operating profit	34	61	-9	8	15	45	154	
Impairment loss on goodwill			-30			-4	-34	
Capital expenditure	31	43	25	8	1	12	120	
Intangible assets, right-of-use assets and other property, plant and equipment (carrying amounts)	1,110	537	391	960	6	1,532	4,536	
Depreciation and amortization of non-current assets	-68	-59	-42	-30	-1	-52	-252	

* amounts restated following the transfer of the former Intelenet businesses in the Middle East from India & Middle East to Continental Europe & MEA with effect from January 1st, 2021

Inter-segment operations are not significant and are not identified separately.

4. Goodwill

Following the inclusion of the former Intelenet businesses in the Middle East in the Continental Europe & MEA segment with effect from January 1st, 2021, the Group has modified the make-up of certain of its CGUs or CGU groups (hereafter referred to as "CGUs"). Prior to that date, these businesses were part of the India & Middle East CGU, but are now in the Egypt, Middle East & Southern Europe CGU (previously called "SEME"). In turn, the India & Middle East CGU is now called India CGU.

The Spanish market CGU has been split into two separate CGUs, Spain and MAR, as the interdependence of certain countries with the Spanish market has considerably diminished in recent years.

Following these changes, the related goodwill of the CGUs concerned has been reallocated based on the percentage of fair value represented by the various CGUs.

A summary of the changes to goodwill is set out in the following schedule:

CGUs at 12/31/2020	CGUs at 1/1/2021	Goodwill reallocated
India & Middle East (1)	India	-37
SEME (2)	Egypt, Middle East & Southern Europe	37
Spanish market (3)	MAR	-4
	Spain	4
Total		0

(1) India & Middle East CGU: comprised the Intelenet businesses in India and the Middle East, and the Indian activities of the other group subsidiaries

India CGU: comprises the Intelenet businesses in India and the Indian activities of the other group subsidiaries in India

(2) SEME CGU: comprised the core services & DIBS businesses of subsidiaries located in Greece, Turkey, Rumania and Egypt

Egypt, Middle East & Southern Europe CGU: comprises the core services & DIBS businesses of subsidiaries located in Greece, Turkey, Rumania, Egypt and the Middle East

(3) Spanish market: comprised the core services & DIBS businesses of subsidiaries located in Colombia, Spain, Peru, Guyana and Nicaragua

MAR CGU: comprises the core services & DIBS businesses of subsidiaries located in Colombia, Peru, Guyana and Nicaragua

Spain CGU: comprises the core services & DIBS businesses of subsidiaries located in Spain

The Group has reviewed its CGUs and groups of CGUs to determine whether there is any indication of impairment.

These reviews did not result in the subsequent performance of any impairment testing, and therefore no impairment loss on goodwill has been recognized in the first half of 2021.

5. Income tax

Income tax expense in an interim period is measured by applying the best estimate of the annual weighted average income tax rate to the profit or loss before tax for the period.

The income tax expense in the first half of 2021 amounted to €99.7 million compared with €41.3 million in the first half of 2020, which represents an effective tax rate of 28.1% compared with 39.5% in the same period last year. Excluding the effect of the impairment loss on goodwill, the effective tax rate in first half 2020 would have been 29.7%. The effective tax rate has been calculated on the basis of the most recent 2021 budget.

6. Equity and Earnings per share

6.1 Share capital and dividends

Teleperformance SE has made a share capital increase of €17,500 in March 2021 through the issue of 7,000 new shares in connection with the effective transfer of performance shares.

The share capital at June 30th, 2021 now amounts to €146,844,000 represented by 58,737,600 shares with a nominal value of €2.50 each, fully paid up.

The company made a dividend distribution of €141.0 million during April 2021.

6.2 Treasury shares

At June 30th, 2021, the Group held 4,506 treasury shares, acquired under its liquidity contract, in a carrying amount of €1.5 million.

This amount has been deducted from equity.

6.3 Earnings per share

Basic and diluted earnings per share are calculated as follows:

	1 st HY 2021	1 st HY 2020
Net profit - Group share	255	63
Weighted-average number of shares used to calculate basic earnings per share	58,725,551	58,702,829
Dilutive effect of incentive share awards	355,419	11,154
Weighted-average number of shares used to calculate diluted earnings per share	59,080,970	58,713,983
Basic earnings per share (in €)	4.34	1.08
Diluted earnings per share (in €)	4.31	1.08

Weighted-average number of shares used to calculate basic earnings per share

	1 st HY 2021	1 st HY 2020
Number of ordinary shares in issue at January 1 st	58,730,600	58,719,000
Treasury shares	-9,802	-16,617
Shares issued	4,753	446
Total	58,725,551	58,702,829

Diluted earnings per share does not take account of shares which could be issued under the incentive share award plan of July 29th, 2020 described in note 3.4 *Share-based payments*, as the performance conditions were not met as of June 30th, 2021.

7. Financial assets and financial liabilities

7.1 Financial result

	1 st HY 2021	1 st HY 2020
Income from cash and cash equivalents	3	2
Other interest expense, net	-19	-17
Bank commissions	-8	-5
Gross financing costs	-27	-22
Interest expense on lease liabilities	-20	-23
Net financing costs	-44	-43
Foreign exchange gains	32	45
Foreign exchange losses	-34	-51
Other financial items	2	-1
Other financial income (expenses), net	0	-7
Financial result	-44	-50

7.2 Financial liabilities

Net financial indebtedness:

	06/30/2021	Current	Non-current*	12/31/2020	Current	Non-current
Loans from financial institutions	259	2	257	11	7	4
Commercial paper	213	213		250	250	
USPP loans - 2014	275	135	140	267	130	137
USPP loans - 2016	210		210	204		204
Bonds	1,862		1,862	1,866		1,866
Total loans and bond issues	2,819	350	2,469	2,598	387	2,211
Bond issuance expense/premiums	-13		-13	-15		-15
Loan hedging instruments	-8	-8		-6	-6	
Bank overdrafts and advances	1	1		3	3	
Other financial liabilities	19	19		16	16	
Total financial liabilities excluding lease liabilities	2,818	362	2,456	2,596	400	2,196
Lease liabilities	646	162	484	674	162	512
Total financial liabilities	3,464	524	2,940	3,270	562	2,708
Marketable securities	168	168		91	91	
Cash and bank	683	683		905	905	
Total cash and cash equivalents	851	851		996	996	
Net debt	2,613	-327	2,940	2,274	-434	2,708

* Includes €647 million due after 5 years

In order to finance the acquisition of Health Advocate, the Group:

- has subscribed in June 2021, to a bank loan of US\$300 million repayable over five years until in October 2025;
- has made in November 2020, a bond issue of €500 million under an EMTN (Euro Medium Term Note) program, at a nominal interest rate of 0.25%, redeemable in November 2027.

In February 2021, the Group obtained a multicurrency (€ and US\$) credit facility amounting to €1 billion which expires in February 2024 with an option to prolong to February 2026. The facility was not utilized as of June 30th, 2021.

The Group also has as of June 30th, 2021:

- an unutilized multi-currency (€ and US\$) syndicated facility of €300 million, expiring in February 2023;

- an EMTN (Euro Medium Term Note) program totaling €3 billion, under which an amount of €2.5 billion had not been issued as of June 30th, 2021.

During the first half of 2021, the Group canceled or did not exercise its option to renew the following credit facilities:

- three bilateral credit lines negotiated during 2020, each of €50 million, expiring respectively in April, June and July 2021;
- an additional credit line expiring on April 15th, 2021, renewable every six months until April 2022, amounting to €655 million obtained during the first half of 2020 in order to guard against any unexpected effects of the health crisis;
- a bilateral credit line of 6 billion yen (€50 million), negotiated during the first half of 2020 and expiring on July 22nd, 2021 with an option to prolong for a further six months.

Covenants

The following financial liabilities are subject to financial covenants, which were complied with as of June 30th, 2021:

US private placements of US\$250 million and US\$325 million

At June 30th, 2021, the relevant ratios were as follows:

	Contractual	Actual
Consolidated equity (in millions of euros)*	> 1,921	2,644
Consolidated net debt*/consolidated EBITDA*	≤ 2.75x	2.16x

*As defined in the agreements

Syndicated multicurrency facility of €300 million

At June 30th, 2021, the relevant ratio was as follows:

	Contractual	Actual
Consolidated net debt*/consolidated EBITDA*	≤ 2.75x	2.16x

*As defined in the agreements

Loans and bond issues: schedule of debt maturities

	Total at 06/30/2021	Total current	Total non- current	Due between 1 and 2 years	Due between 2 and 3 years	Due between 3 and 4 years	Due between 4 and 5 years	Due between 5 and 6 years	Due between 6 and 7 years
Loans from financial institutions	259	2	257	66	63	63	65		
Commercial paper	213	213							
USPP loans	485	135	350		63	140		147	
Bonds	1862		1,862		605		757		500
Total loans and bond issues	2,819	350	2,469	66	731	203	822	147	500

Explanation of the change in financial liabilities in the first half of 2021

	12/31/2020	Change in consolidati on scope	Cash flows	Non-cash items				06/30/2021
				Lease liabilities	Fair value of financial instrumen	Accrued interest	Translation differences	
Total Financial liabilities	3,270	6	224	-45	-1	3	7	3,464

Lease liabilities

Lease liabilities amounted to €645.8 million as of June 30th, 2021 and mature as follows:

	Total at 06/30/2021	Total current	Total non- current	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years
Lease liabilities	646	162	484	130	105	83	59	107

7.3 Foreign exchange and interest rate hedging operations

Revenues and operating expenses of Group subsidiaries may be denominated in a currency other than the functional currency of each country concerned.

Hedge contracts are entered into to cover the exposure between the following principal currencies:

- the US dollar and the Mexican peso;
- the US dollar and the Colombian peso;
- the US dollar and the Philippine peso;
- the US dollar and the Indian rupee;
- the £ sterling and the Indian rupee;
- the euro and the US dollar, the Colombian peso, the Turkish pound, the Tunisian dinar.

The policy of the Group is to cover its highly probable commercial transactions denominated in foreign

currency, usually up to 12 months ahead but longer in certain cases. The Group uses forward exchange contracts and plain vanilla foreign exchange options.

In addition, currency hedges are in place to cover the exchange risk between currencies managed within the cash pool and the euro (in particular the US dollar) as well as certain loans between Teleperformance SE and its subsidiaries.

The Group has also put in place interest rate hedges in order to convert certain liabilities from fixed to floating rates, as well as caps to limit the impact of possible high interest rate rises.

The principal derivative financial instruments in place at the reporting date are as follows:

Derivative financial instruments at June 30 th , 2021 (in millions)	Notional amount in currency	Notional amount in € at 06/30/2021	Fair value in € at 06/30/2021	In equity	In 2021 1 st HY profit or loss
Hedge of forecast transactions					
USD/MXN	85	72	8	5	3
USD/MXN*	13	11	0	0	0
MXN/USD	635	27	3	3	0
MXN/USD *	111	5	0	0	0
USD/PHP	7,300	126	1	1	0
USD/PHP *	1,400	24	0	0	0
COP/EUR	15	15	0	0	0
COP/EUR *	2	2	0	0	0
COP/USD	164	138	2	0	1
COP/USD *	45	38	1	0	1
USD/INR	157	132	2	1	1
USD/INR *	18	15	0	0	0
USD/CAD	18	15	1	0	0
USD/CAD*	4	3	0	0	0
USD/EGP	19	16	1	1	0
USD/MYR	35	29	0	0	0
GBP/INR	14	16	1	1	0
TND/EUR	68	21	1	1	0
Hedge of a net investment in foreign operations	200	168	-1	-1	0
€ interest rate hedge	1,100	1,100	8	6	2
USD interest rate cap	100	84	0	0	0
Hedge of intra-group loans					
- in USD	56	47	-1	0	-1
- in PHP	6,150	106	1	0	1

* Not eligible for hedge accounting.

The principal derivative financial instruments in place at June 30th, 2020 were as follows:

Derivative financial instruments at June 30 th , 2020 (in millions)	Notional amount in currency	Notional amount in € at 06/30/2020	Fair value in € at 06/30/2020	In equity	In 2020 1 st HY profit or loss
Hedge of forecast transactions					
USD/MXN	71	64	-6	-3	-3
USD/MXN*	11	9	-1		-1
MXN/USD	653	25	-3	-3	
MXN/USD *	175	7			
USD/PHP	4,625	83	4	3	1
USD/PHP *	1,550	28			
COP/EUR	12	12	-1		
COP/EUR *	2	2			
COP/USD	160	143	-2		-2
COP/USD *	25	23	-1	-1	
USD/INR	152	136	-1	-1	
USD/CAD	17	15			
USD/INR*	13	11			
GBP/INR	64	70	7	7	
TND/EUR	84	26	1	1	
€ interest rate hedge	1,165	1,165	36	12	25
USD interest rate hedge	200	179			
Hedge of intra-group loans					
- in USD	22	20			
- in PHP	8,406	151	2		2
- in GBP	15	16	1		1

* Not eligible for hedge accounting.

At June 30th, 2021, the net positive fair value of derivative financial instruments amounted to €27.4 million (December 31st, 2020: net positive fair value of €48.3 million) of which €29.0 million is presented in Other financial assets, - €9.8 million in Other current liabilities and €8.2 million as a reduction of Other financial liabilities.

Counterparty credit risk (Credit value adjustment – CVA) and own credit risk (Debt value adjustment – DVA) are taken account of in the fair values of hedging instruments, but the amounts are not significant.

7.4 Foreign currencies

<i>Principal currencies</i>	<i>Country</i>	<i>Average rate</i> 1 st HY 2021	<i>Closing rate</i> 06/30/2021	<i>Average rate</i> 1 st HY 2020	<i>Closing rate</i> 12/31/2020
<i>Europe</i>					
Pound sterling	United Kingdom	0.87	0.86	0.88	0.90
<i>Americas and Asia</i>					
Brazilian real	Brazil	6.49	5.90	5.41	6.37
Colombian peso	Colombia	4,370	4,442	4,064	4,170
US dollar	USA	1.21	1.19	1.10	1.23
Indian rupee	India	88.41	88.32	81.71	89.66
Mexican peso	Mexico	24.33	23.58	23.84	24.42
Philippine peso	Philippines	58.16	58.06	55.83	59.13

8. Cash flows

8.1 (Income) expenses, net, without effect on cash

	1 st HY 2021	1 st HY 2020
Depreciation, amortization and impairment losses on non-current assets	156	155
Impairment loss on goodwill	0	34
Depreciation of right-of-use of leased assets	91	97
Change in provisions	7	3
Unrealized gains and losses on financial instruments	-9	-18
Share-based payments	29	9
Loss on disposal of non-current assets	1	
Total	275	280

8.2 Change in working capital

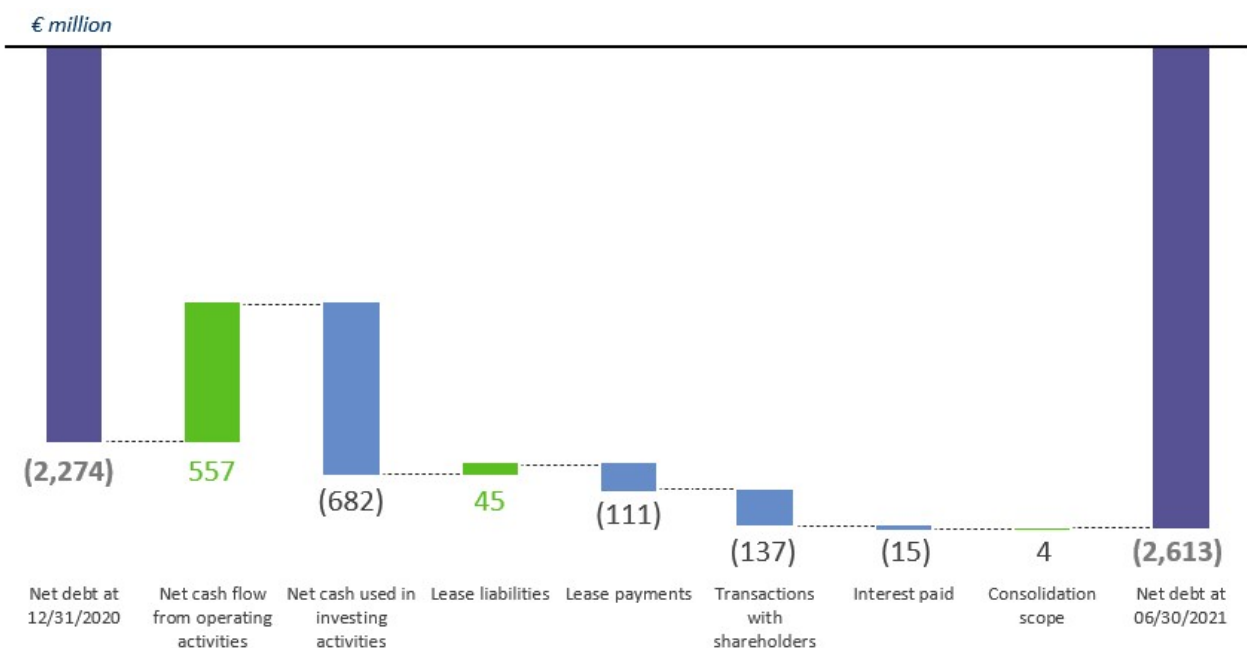
	1 st HY 2021	1 st HY 2020
Accounts receivable - Trade	-129	30
Accounts payable - Trade	70	37
Other	21	13
Total	-38	80

The change in working capital in the first half of 2021 has been principally related to the strong increase seen in the activity of the Group. The change in the first half of 2020 was particularly impacted by the deferment of certain tax and social charge payments obtained by a number of Group subsidiaries.

8.3 Acquisition of subsidiaries, net of cash acquired

As disclosed in note 2 *Consolidation scope*, the Group acquired Health Advocate in June 2021 for a consideration of 693.0 million US dollars. As Health Advocate had cash and cash equivalents amounting to 12.6 million, the net investment amounted to 680.4 million US dollars (€572.7 million).

8.4 Explanation of the change in net debt in the first half of 2021



8.5 Analysis of net cash presented in the condensed consolidated statement of cash flows

	06/30/2021	12/31/2020
Bank overdrafts and advances	-1	-3
Marketable securities	168	91
Cash and bank	683	905
Net cash	850	993

9. Provisions, litigation, commitments and other contractual obligations

9.1 Change in provisions

	12/31/2020	Increases	Releases		Translation	Other	06/30/2021
			Utilized	Not utilized	differences		
Non-current							
Provisions for post-employment benefits	30	3	-1	-1		1	32
Total	30	3	-1	-1	0	1	32
Current							
Provisions for risks	19	3	-1			3	24
Provisions for other expenses	44	5	-1			3	51
Total	63	8	-2	0	0	6	75
TOTAL	93	11	-3	-1	0	7	107

Provisions for risks at June 30th, 2021 include personnel-related risks in an amount of €11.4 million, principally concerning lawsuits with former employees, particularly in Argentina, Brazil, France and the United States.

As legal proceedings are ongoing for most of these disputes, their settlement date is uncertain.

Provisions for other expenses relate principally to risks related to Colombian and Brazilian social charges, in amounts of €19.2 million and €9.6 million, respectively.

9.2 Warranties and other contractual obligations

On May 17th, 2021, Teleperformance SE entered into a commercial contract with Apple Inc. in respect of the commercial relations between the two groups, replacing various agreements that had previously been entered into. Under this new agreement, which took effect on March 10th, 2021, Teleperformance SE has committed to guarantee the performance of its terms and conditions by Group subsidiaries when carrying out services for Apple Inc. or its affiliated companies.

10. Related parties

The Group has no knowledge of any significant transactions with related parties during the first half of 2021.

11. Events after the reporting date

None.

2. 2021 half-year management report

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2.1 Covid-19 pandemic

On March 11th, 2020, the Covid-19 epidemic was declared by the World Health Organization to have reached pandemic proportions. This world-wide health crisis had led numerous countries to bring in lockdown measures on a national scale and to impose severe restrictions on movement. Faced with this situation of an exceptional nature, the Group had decided as a priority to take all steps to safeguard its personnel and the continuity of its customers' businesses, in addition to protecting its financial soundness, while complying with the laws, regulations or other instructions brought in by public administrations in the countries in which it operates. As of the end of June 2021, around 240,000 group employees were working from home, compared with only 10,000 prior to the health crisis.

In 2021, only the TLScontact business of visa application management services for government departments remained significantly affected.

2.2 Business activity over the last half year

1. Highlights

On June 22nd, 2021, the Group finalized the acquisition of Health Advocate, a US corporation specializing in consumer health management business services and related digital solutions integration. The consideration for the transaction amounted to 693 million US dollars (see note 2 *Consolidation scope* of section 1.6 *Notes to the condensed consolidated financial statements*).

In order to finance the acquisition, the Group obtained a bank loan of 300 million US dollars in October 2020, repayable over five years, and made a seven-year bond issue in November 2020 in the amount of €500 million.

2. Consolidated revenue

Consolidated revenue came in at €3,431 million for the first half of 2021, representing a year-on-year increase of +36.8% at constant exchange rates and scope of consolidation (like-for-like) and +29.0% as reported. The difference between reported and like-for-like growth was due to an unfavorable currency effect (-€153 million) stemming mainly from the decline against the euro of the US dollar, the main Latin American currencies and the Indian rupee.

These sharp gains in revenue, which far exceeded a simple return to pre-pandemic growth trends, were primarily driven by continued strong sales momentum in the Core Services & D.I.B.S. business, in an environment shaped by faster development of the digital economy. The deployment of Covid-19 support services for governments also helped boost revenue. Adjusted for this item, like-for-like growth nevertheless remained above +20%. Specialized Services revenue also trended upwards over the period, led by strong growth at LanguageLine Solutions and the emerging recovery in the TLScontact visa application management business in the second quarter. In every business, the basis of comparison was favorable from March to May, the peak months of the global health crisis in 2020.

REVENUE BY ACTIVITY

€ millions	H1 2021	H1 2020**	% change	
			Like-for-like	Reported
CORE SERVICES & D.I.B.S.*	3,075	2,344	+38.7%	+31.2%
English-speaking & Asia-Pacific (EWAP)	992	856	+23.7%	+15.9%
Ibero-LATAM	895	711	+35.4%	+25.9%
Continental Europe & MEA (CEMEA)**	977	583	+70.4%	+67.6%
India**	211	194	+17.2%	+8.8%
SPECIALIZED SERVICES	356	316	+22.5%	+12.7%
TOTAL	3,431	2,660	+36.8%	+29.0%

* Digital Integrated Business Services

** 2020 data from the CEMEA and India regions have been restated on a pro forma basis following the integration into the CEMEA region on January 1st, 2021 of former Intelnet activities in the Middle East, which were previously included in the India & Middle East region (renamed India since January 1st, 2021)

▪ Core Services & Digital Integrated Business Services (D.I.B.S.)

Core Services & D.I.B.S. revenue amounted to €3,075 million in first-half 2021, a year-on-year like-for-like increase of +38.7% that amply outperformed the market. Reported revenue growth came to +31.2%, with the difference primarily reflecting the decline against the euro of the US dollar and, to a lesser extent, the main Latin American currencies and the Indian rupee.

○ English-speaking & Asia-Pacific (EWAP)

In first-half 2021, revenue for the region came to €992 million, up +23.7% like-for-like. The reported gain of +15.9% included an unfavorable currency effect stemming primarily from the US dollar's decline against the euro.

Operations in the North American market reported satisfactory like-for-like growth in the first half, with a faster gain in the second quarter. Performance was led by the e-tailing, online entertainment, automotive and consumer electronics segments. The hospitality and tourism segments, which had been hard hit by the health crisis, began to bottom out in June. Nevertheless, the pace of recovery was dampened over the first half by the temporary labor shortage in the US domestic labor market.

Business in the United Kingdom rose very quickly in the first half, with the large-scale deployment of Covid-19 support services for the government during the period. Delivery continued into the second quarter, albeit at a slower pace than in the first, mainly due to the less favorable comparatives since the services were first rolled out in second-quarter 2020. Their declining contribution is therefore expected and will have a significant impact on the growth projected for the second half. Business in other segments continued to benefit from the solid sales momentum, particularly in consumer electronics and energy.

In Asia, business enjoyed another period of fast growth, although comparatives were less favorable in the second quarter, given that the health crisis began and ended earlier last year, especially in China. Revenue gains in China were driven by contract ramp-ups with global leaders in the consumer electronics and e-tailing segments. The multilingual hubs in Malaysia continued to post very strong gains, thanks mainly to the contribution from recently signed contracts in the social media and online entertainment segments.

o Ibero-LATAM

First-half 2021 revenue for the Ibero-LATAM region amounted to €895 million, a year-on-year increase of +35.4% like-for-like. On a reported basis, growth came out at +25.9%, with the difference primarily reflecting the decline against the euro of the Brazilian real, the Colombian peso and the Argentinian peso.

Sharp gains were recorded in Colombia and by the Group's nearshore operations in Mexico, Dominican Republic and El Salvador. Activities in Portugal and Spain also reported solid revenue growth, led by the strong gains from their multilingual hubs serving global market leaders in the digital economy.

The e-tailing, online entertainment, consumer electronics and financial services segments were particularly dynamic, while the travel and hospitality segments enjoyed a brisk upturn in business beginning in May. Lastly, the online food services, automotive and healthcare segments ramped up quickly in the second quarter.

o Continental Europe & MEA (CEMEA)

Revenue for the CEMEA region totaled €977 million in first-half 2021, representing year-on-year growth of +70.4% like-for-like. Reported growth stood at +67.6%, primarily due to the decline in the Turkish lira and Russian ruble against the euro.

Around two-thirds of the region's first-half growth stemmed from the sustained fast ramp-up during the period of support services for government vaccination campaigns in the Netherlands and, to a lesser extent, in France and Germany. Given the higher basis of comparison in second-half 2020, particularly due to the start-up of the "Covid contracts", growth in second-half 2021 should be lower than in first-half.

The remaining third of the region's first-half 2021 growth was led by the fast-expanding business with multinational clients, particularly in the e-tailing and online entertainment segments. This was the case in Greece (multilingual hubs), for the German- and French-speaking markets, and in the Netherlands, Italy, Turkey and Egypt. The hospitality and tourism segments bottomed out early in the second quarter.

o India

In the first half of 2021, operations in India generated €211 million in revenue, up +17.2% from the prior-year period on a like-for-like basis and up +8.8% as reported. The difference was due to the negative currency effect caused by the decline in the Indian rupee against the euro.

In addition, the country organization managed to overcome the pandemic's resurgence last April by stepping up deployment of work-from-home solutions, which now apply to nearly 80% of the Indian workforce.

Offshore activities, which are the main source of regional revenue and include high value-added solutions, as well as domestic activities enjoyed solid growth over the period. The former benefited in particular from the firm growth in the e-tailing, consumer electronics, food services and healthcare segments, and the latter from contract ramp-ups in the e-retailing and energy segments.

Given the 2020 comparatives impacted by the health crisis, which were less favorable in second-half 2020, second-half 2021 growth should be lower than in the first six months.

▪ Specialized Services

Revenue from Specialized Services stood at €356 million in the first six months of 2021, a year-on-year increase of +22.5% like-for-like and of +12.7% as reported, due to the decline in the US dollar against the euro.

After falling precipitously in the first quarter due to ongoing travel restrictions and border closures, TLScontact revenue has turned slightly upwards since April, led by the still modest recovery in international travel and a more favorable basis of comparison. A sharper upturn in revenue is not expected to occur until the second half of 2021, and its magnitude will depend on how the health crisis evolves.

LanguageLine Solutions, the activity's primary contributor and business growth driver, continued to advance at a brisk pace during the second quarter, maintaining the first quarter's very solid performance. The company was able to respond effectively to strong demand, thanks to its offering based on 13,700 interpreters who work from home. It also benefited from favorable comparatives in March, when prior-year business slowed temporarily due to the impact of Covid-19 on the healthcare segment.

Following completion of its acquisition in late June, Health Advocate has been fully consolidated as part of the Specialized Services business portfolio since July 1st, 2021.

3. First half 2021 operating profit

EBITDA before non-recurring items stood at €678 million for first-half 2021, up +50.6% from the prior-year period.

EBITA before non-recurring items rose by +89.5% to €479 million from €253 million in the prior-year period. EBITA margin before non-recurring items rose to 14.0%, from 9.5% in first-half 2020, reflecting the return to higher than pre-crisis margins (12.8% in first-half 2019). This was led by the powerful operating leverage exerted by the very fast growth in revenue, the non-recurrence of health crisis management outlays committed in first-half 2020, and disciplined cost management. By activity and region, margins rose fastest in the CEMEA and India regions, impelled in the former by a significant, efficient contribution from government support services and in the latter by (i) the program to terminate low-margin contracts completed in late 2020; and (ii) the very favorable comparison with the prior-year period, when the beginnings of the health crisis had a particularly disruptive impact on the organization of the Group's workforce in India.

EBITA BEFORE NON-RECURRING ITEMS	H1 2021	H1 2020**
<i>€ millions</i>		
CORE SERVICES & D.I.B.S.*	374	171
% of revenue	12.2%	7.3%
English-speaking & Asia-Pacific (EWAP)	57	44
% of revenue	5.7%	5.1%
Ibero-LATAM	113	62
% of revenue	12.7%	8.7%
Continental Europe & MEA (CEMEA)**	138	23
% of revenue	14.1%	3.9%
India**	35	17
% of revenue	16.7%	8.5%
Holding companies	31	25
SPECIALIZED SERVICES	105	82
% of revenue	29.4%	26.1%
TOTAL	479	253
% of revenue	14.0%	9.5%

* Digital Integrated Business Services

** 2020 data from the CEMEA and India regions have been restated on a pro forma basis following the integration into the CEMEA region on January 1st, 2021 of former Intelenet activities in the Middle East, which were previously included in the India & Middle East region (renamed India since January 1st, 2021)

▪ Core Services & D.I.B.S.

For Core Services & D.I.B.S., EBITA before non-recurring items came to €374 million in the first half of 2021, versus €171 million in the first half of 2020. Margin improved sharply over the period, to 12.2% from 7.3% a year earlier, and now exceeds pre-crisis levels.

This solid performance primarily resulted from a favorable first-half basis of comparison, the operating leverage exerted by the fast growth in revenue, particularly in the Ibero-LATAM, CEMEA and India regions, and the activity's strict cost management discipline.

o English-speaking & Asia-Pacific (EWAP)

The EWAP region generated EBITA before non-recurring items of €57 million in first-half 2021, compared with €44 million in the prior-year period, while the margin came to 5.7% versus 5.1% the year before.

In the United States, margins on domestic activities were impacted by the temporary labor market disruptions in the wake of the health crisis, while in the Philippines, offshore activities saw profitability improve over the period.

Results in the United Kingdom rose significantly on the sustained growth in Covid-19 support services and the ramp-up of many new contracts.

In the Asia-Pacific region, margins continued to improve thanks to strong business growth in China and Malaysia.

o Ibero-LATAM

EBITA before non-recurring items in the Ibero-LATAM region rose to €113 million in first-half 2021, from €62 million in the prior-year period, while EBITA margin stood at 12.7%, versus 8.7% in 2020.

Margin gains in the region were supported by the fast growth in business. Among the top contributors to this solid performance were Spain, Mexico, Portugal and the nearshore activities in El Salvador.

o Continental Europe & MEA (CEMEA)

In first-half 2021, EBITA before non-recurring items in the Continental Europe & MEA region came to €138 million yielding a margin of 14.1%, versus respectively €23 million and 3.9% in the prior-year period.

The broad-based, rapid deployment of Covid-19 support services in the Netherlands, France and Germany contributed to the robust improvement in margins. The performance was also led by fast growth in the multilingual operations in Greece and the nearshore activities in Albania serving the Italian market.

o India

EBITA before non-recurring items in India rose to €35 million in first-half 2021, from €17 million in the prior-year period, feeding through to a margin of 16.7% versus 8.5% in first half 2020.

The EBITA margin improvement was mainly attributable to the sustained growth in business over the period and the very favorable comparison with first-half 2020, when the emergence of the health crisis in a complex environment disrupted the organization of the Group's local workforce and cost structure.

The first-half recovery in margins on domestic activities also reflected the completion, in late 2020, of the program to terminate low-margin contracts. In addition, the country organization was able to effectively manage the second peak of the health crisis last April by deploying a new round of work-from-home solutions focused on the most profitable offshore activities.

▪ Specialized Services

Specialized Services reported EBITA before non-recurring items of €105 million and a margin of 29.4% in first-half 2021, versus 26.1% the year before.

TLScontakt's margin narrowed over the first quarter, reflecting the very unfavorable basis of comparison, given that travel restrictions and border closures did not come into effect until March 2020. It leveled off in April 2021, with the slight uptick in business and the gains from the rapid implementation of cost-cutting measures last year. The Group's objective is for the subsidiary to break even over the full year.

LanguageLine Solutions' already high margin continued to improve over the first half, lifted by the strong growth in business and the efficiency of its business model, based on entirely home-based interpreters, unrivaled technological tools and a very assertive business development process.

4. Other significant features of the 2021 1st half-year results

Group EBIT amounted to €398 million compared with €154 million in the same period of 2020, representing an increase of 157.9%, indicating the excellent recovery of the business compared with the first half of 2020 that was strongly impacted by the consequences of the Covid-19 pandemic.

EBIT for the 2021 first half-year includes amortization expense on intangible assets of €49 million, share-based payment expense of €31 million in respect of incentive share plans, and transaction costs of €1 million.

The financial result is a net expense of €44 million, compared with one of €50 million in the first half of 2020.

The income tax expense amounted to €99 million. The weighted average income tax rate for the Group is 28.1%, compared with 29.7% (excluding the effect of non-deductible goodwill impairment) in the same period last year.

2.3 Group financing and cash flow

1. Group financing at June 30th, 2021

Long-term financing

<i>(in millions of €)</i>	06/30/2021	12/31/2020
Equity	2,644	2,409
Non-current financial liabilities	2,940	2,708
Total long-term financing	5,584	5,117

Non-current financial liabilities at June 30th, 2021 and December 31st, 2020 include lease liabilities amounting to €484 million and €512 million, respectively.

Short-term financing

<i>(in millions of €)</i>	06/30/2021	12/31/2020
Current financial liabilities	524	562
Cash and cash equivalents	851	996
Surplus of net cash over current financial liabilities	327	434

Current financial liabilities at June 30th, 2021 and December 31st, 2020 include lease liabilities amounting to €162 million at each reporting date.

In February 2021, the Group obtained a multicurrency (€ and US\$) credit facility amounting to €1 billion which expires in February 2024 with an option to prolong to February 2026. The facility was not utilized as of June 30th, 2021.

2. Cash flows

Sources and volumes of cash flows

<i>(in millions of €)</i>	1 st HY 2021	1 st HY 2020
Internally generated funds from operations before change in working capital requirements	595	361
Change in working capital	-38	80
Net cash flow from operating activities	557	441
Capital expenditure, net	-671	-120
Net cash flow from investing activities	-671	-120
Increase in share capital and acquisition, net, of treasury shares	4	3
Dividend payments	-141	
Net change in financial liabilities	225	44
Lease payments	-111	-114
Interest payments	-15	-15
Net cash flow from financing activities	-38	-82
Change in cash and cash equivalents	-152	239

The Group's free cash flow amounted to €333 million in the first half of 2021, compared with €192 million in the same period last year.

The change in working capital in the first half of 2021 is principally related to the strong increase seen in the activity of the Group. The change in the first half of 2020 was particularly impacted by the deferment of certain taxes and social charges obtained by a number of Group subsidiaries.

Capital expenditure on assets used in operations in the first half of 2021 amounted to €98 million, compared with €120 million in the same period last year. Investments also included the acquisition of Health Advocates for €573 million (net of cash acquired).

Net debt amounted to €2,613 million at June 30th, 2021, of which an amount of €646 million is in respect of lease liabilities.

Group financing remains solidly based, with equity of €2,644 million as of June 30th, 2021.

2.4 Consolidation scope

On June 22nd, 2021, the Group finalized the acquisition of Health Advocate. The company is based in the United States and has approximately 700 employees. In view of the acquisition date and the monetary amount of transactions between then and the reporting date, judged to be not significant, the acquiree has been consolidated with effect from June 30th, 2021.

2.5 Events after the reporting date

Néant.

2.6 Trends and prospects

1. Risks and uncertainties

The Group is exposed to a series of risks which have been described in the 2020 universal registration document filed with the AMF.

Group management does not expect any significant change in these existing risks and uncertainties, or the occurrence of any new ones, during the second half of 2021.

2. Outlook

Based on the very solid performance delivered in the first half, Teleperformance has raised its full-year 2021 guidance to:

- like-for-like full-year revenue growth of around +18%, versus the previous growth target of at least +12.0%;
- an EBITA margin before non-recurring items of more than +14.5%, versus the previous target of at least +14.0%.

In the second half of the year, the Group's performance will continue to benefit from its very dynamic business development and the sustained acceleration in its digital transformation. Note, however, that prior-year comparatives will turn less favorable, due to the fast growth in business throughout the second half of 2020, while the expected revenue from government support services in the Netherlands and the United Kingdom will likely be lower.

3. Statement by the person responsible for the half-year financial report

This is a free translation into English of the statement by the person responsible for the half-year financial report and is provided solely for the convenience of English-speaking users.

“I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the first half of 2021 have been prepared in accordance with applicable accounting principles and give a true and fair view of the assets and liabilities, financial situation and results of the Group. I further declare that the half year Management Report gives a true and fair view of the material events occurring during the first six months of the financial year and of their impact on the half year financial statements, of the principal related party transactions, and of the principal risks and uncertainties for the remaining six months of 2021.”

Paris, July 28th, 2021

Daniel Julien

Chairman & Chief Executive Officer

4. Statutory auditors' review report on the 2021 half-yearly financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the period from January 1st, 2021 to June 30th, 2021

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Teleperformance SE, for the period from January 1st, 2021 to June 30th, 2021;
- the verification of the information presented in the half-yearly management report.

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and limited review of the condensed interim consolidated financial statements. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency induce multiple consequences for companies, particularly on their activity and their financing, as well as increased uncertainties on their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and on the way in which our work is carried out.

These condensed interim consolidated financial statements have been drawn up under the responsibility of the Board of Directors. Our role is to express our conclusion on these financial statements based on our limited review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 28th, 2021

KPMG Audit IS
Jacques Pierre
Partner

Deloitte & Associés
Ariane Bucaille
Partner