

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K/A

(Amendment #1)

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) **March 12, 2018**

TTEC Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-11919

(Commission File Number)

84-1291044

(I.R.S. Employer
Identification Number)

9197 S. Peoria Street, Englewood, CO

(Address of principal executive offices)

80112-5833

(Zip Code)

Registrant's telephone number, including area code: **303-397-8100**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written Communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On March 12, 2018, TTEC Holdings, Inc. (the "Company") issued a press release announcing its financial results for the quarter and full year ended December 31, 2017 (the "Press Release"). While all GAAP disclosures and all disclosures regarding results of operations for 2017 were accurate, the Company inadvertently disclosed an incorrect number representing its non-GAAP income from operations as a percentage of its non-GAAP adjusted revenue for prior full year 2016.

The correct disclosure for non-GAAP income from operations as a percentage of non-GAAP adjusted revenue for prior full year 2016 should have been 7.6 percent instead of 8.6 percent. The correct disclosure in its entirety should read as follows:

"Income from Operations

- Full year 2017 GAAP income from operations was \$100.5 million or 6.8 percent of revenue compared to \$52.8 million or 4.1 percent of revenue in 2016.*
- 2017 income from operations on a non-GAAP AHFS/WD basis, excluding \$20.0 million in restructuring and integration charges, and asset impairments, was \$122.5 million, representing 8.4 percent of adjusted revenue versus 7.6 percent the prior year."*

In accordance with General Instruction B.2 of Form 8-K, the information contained in this Item 2.02 and attached Exhibit 99.1 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

[99.1 Revised press release dated March 12, 2018](#)

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TTEC Holdings, Inc.
(Registrant)

Date: March 12, 2018

By: /s/ Regina M. Paolillo
Regina M. Paolillo,
Chief Financial Officer



REVISED

TTEC Announces Fourth Quarter and Full Year 2017 Financial Results

Fourth Quarter 2017

Completes Rebranding to TTEC
Increases Semi-annual Dividend
Signs \$119 Million in New Business
Acquires Digital Customer Experience Trust & Safety Company, Motif, Inc.

Revenue was a Record \$426.6 Million (\$423.2 Million Non-GAAP AHFS/WD)
Operating Income of \$36.6 Million or 8.6 Percent of Revenue
(\$47.5 Million or 11.2 Percent Non-GAAP AHFS/WD)
Including a One-time Mandatory Deemed Repatriation Tax from The 2017 U.S. Tax Act,
Fully Diluted Loss Per Share of 89 Cents (Positive EPS of 67 Cents Non-GAAP)

Provides Outlook for Full Year 2018 Revenue and Operating Income

DENVER, March 12, 2018 — **TTEC (NASDAQ: TTEC)**, a leading global technology and services provider focused exclusively on the design, implementation and delivery of transformative customer experience for many of the world's most iconic and disruptive brands, today announced financial results for the fourth quarter and full year ended December 31, 2017.

"2017 was a strong year for us. We exceeded our financial goals with record revenue and adjusted operating income, completed two strategic acquisitions, added many marquee names to our client portfolio, launched our insight-driven, technology-enabled Humanify Customer Engagement as a Service offering, strengthened our leadership team and continued to lead the industry in client satisfaction," commented Ken Tuchman, TTEC chairman and chief executive officer.

"With these accomplishments, combined with the underlying momentum across the business, we also took the step to rename the company to TTEC to reflect our successful transformation to an integrated end-to-end omnichannel customer experience services partner and leader in digitizing the customer experience. The name change was a strategic business decision representing the culmination of hundreds of millions of dollars of investment in strategic acquisitions, R&D including over 100 patents, and our diversified capabilities, alongside the successful adoption of our end-to-end platform by clients across the globe," Tuchman explained.

"With the proliferation of channels in combination with relevant and dynamic customer insights, every touchpoint is a unique opportunity to form a lasting customer relationship. Service experience is the new brand differentiator and captivating omnichannel experiences is the modern day currency for retention and growth. Across the globe, we are being chosen as a strategic partner for customer experience transformation combining strategy, analytics, AI and technology with human talent to drive growth, increase profitability and deepen customer loyalty," concluded Tuchman.

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FULL YEAR 2017 FINANCIAL HIGHLIGHTS

GAAP - In accordance with Generally Accepted Accounting Principles.

Non-GAAP AHFS/WD (Excluding Assets Held for Sale and Wind-down) - As discussed below and shown in the attached reconciliation table, the definition of Non-GAAP AHFS/WD excludes from revenue and operating income i) assets held for sale and wind-down, and ii) impairment, restructuring and integration charges.

Revenue

- Full year 2017 GAAP revenue increased 15.8 percent to \$1.477 billion compared to \$1.275 billion in 2016.
- On a non-GAAP AHFS/WD basis, 2017 revenue grew 17.3 percent over the prior year to \$1.457 billion. Organic revenue growth was 4.3 percent.

Income from Operations

- Full year 2017 GAAP income from operations was \$100.5 million or 6.8 percent of revenue compared to \$52.8 million or 4.1 percent of revenue in 2016.
- 2017 income from operations on a non-GAAP AHFS/WD basis, excluding \$20.0 million in restructuring and integration charges, and asset impairments, was \$122.5 million, representing 7.6 percent of adjusted revenue versus 8.6 percent the prior year.

Earnings Per Share

- Full year 2017 GAAP fully diluted earnings per share attributable to TTEC shareholders, including a one-time mandatory deemed repatriation tax of \$62.4 million (or \$1.34 per share) related to new U.S. tax reform legislation, was \$0.16 compared to \$0.71 in 2016.
- Non-GAAP fully diluted earnings per share was \$1.80 compared to \$1.32 in the prior year.

Bookings

During the full year 2017, TTEC signed an estimated \$442 million in annualized contract value revenue from new and expanded client relationships, a 4.7 percent increase over the prior year. The bookings mix was diversified across verticals with approximately 77 percent from existing clients and 13 percent outside of the United States.

FOURTH QUARTER 2017 FINANCIAL HIGHLIGHTS

Revenue

- Fourth quarter 2017 GAAP revenue increased 23.7 percent to \$426.6 million compared to \$344.9 million in the prior year period.
- Non-GAAP AHFS/WD revenue increased 25.4 percent to \$423.2 million over the prior year period. Organic revenue growth was 7.5 percent.

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Income from Operations

- Fourth quarter 2017 GAAP income from operations was \$36.6 million, or 8.6 percent of revenue, compared to \$6.2 million, or 1.8 percent of revenue in the fourth quarter 2016.
- Non-GAAP AHFS/WD income from operations, excluding \$10.2 million in restructuring and integration charges, and asset impairments, was \$47.5 million or 11.2 percent of adjusted revenue versus 10.1 percent the prior year.

Earnings Per Share

- Fourth quarter 2017 GAAP fully diluted loss per share attributable to TTEC shareholders, including a one-time mandatory deemed repatriation tax of \$62.4 million (or \$1.34 per share) related to new U.S. tax reform legislation, was \$0.89 compared to a loss of \$0.01 in the same period last year.
- Non-GAAP fully diluted earnings per share was \$0.67 compared to \$0.42 in the prior year.

Bookings

- During the fourth quarter 2017, TTEC signed an estimated \$119 million in annualized contract value revenue from new and expanded client relationships. The fourth quarter bookings mix was diversified across verticals with 72 percent from existing clients and 10 percent from outside of the United States.

STRONG BALANCE SHEET CONTINUES TO FUND OPERATIONS, SHARE REPURCHASES, DIVIDENDS, AND INVESTMENTS

- As of December 31, 2017, TTEC had cash and cash equivalents of \$74.4 million and debt of \$361.3 million, resulting in a net debt position of \$286.9 million.
- As of December 31, 2017, TTEC had approximately \$350 million of additional borrowing capacity available under its revolving credit facility.
- Cash flow from operations in the fourth quarter 2017 was a negative \$36.5 million compared to \$1.0 million in the fourth quarter 2016. For the full year, cash flow from operations was a positive \$113.2 million compared to \$111.8 million in 2016.
- Capital expenditures in the fourth quarter 2017 were \$8.0 million compared to \$12.0 million in the fourth quarter 2016. For the full year, capital expenditures were \$52.0 million compared to \$50.8 million in 2016.
- Declared a 25-cent dividend per share, or \$11.5 million, which was paid on October 17, 2017 to shareholders of record on October 5, 2017. The dividend represented a 25 percent increase over the distribution paid in October 2016.
- No shares of common stock were repurchased in the fourth quarter 2017. For the full year 2017, approximately 609 thousand shares of common stock were repurchased for a cost of \$18.3 million. As of December 31, 2017, \$26.6 million was authorized for future share repurchases.

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SEGMENT REPORTING & COMMENTARY

TTEC reports financial results for the following four business segments: Customer Management Services (CMS), Customer Growth Services (CGS), Customer Technology Services (CTS) and Customer Strategy Services (CSS). Financial highlights for the segments are provided below.

Customer Management Services (CMS) — Customer Experience Delivery Solutions

- CMS fourth quarter 2017 GAAP revenue increased 32.1 percent to \$343.3 million compared to \$259.9 million in the year ago quarter. Organic revenue growth was 8.8 percent. Income from operations was \$34.4 million or 10.0 percent of revenue compared to \$14.4 million or 5.5 percent of revenue in the prior year.
- Non-GAAP income from operations was \$39.2 million or 11.4 percent of revenue. This compares to \$27.0 million or 10.4 percent of revenue in the prior year.

Customer Growth Services (CGS) — Digitally-Enabled Revenue Growth Solutions

- CGS fourth quarter 2017 GAAP revenue declined 9.9 percent to \$31.8 million compared to \$35.3 million in the year ago quarter. Income from operations was \$1.5 million or 4.7 percent of revenue compared to \$2.8 million or 8.0 percent of revenue in the prior year.
- Non-GAAP AHFS/WD revenue declined 9.0 percent to \$30.9 million over the year ago period and income from operations was \$2.1 million or 6.9 percent of adjusted revenue. This compares to \$2.9 million or 8.5 percent of adjusted revenue in the prior year.

Customer Technology Services (CTS) — Hosted and Managed Technology Solutions

- CTS fourth quarter 2017 GAAP revenue grew 4.6 percent to \$33.5 million compared to \$32.1 million in the year ago quarter. Income from operations was \$1.0 million or 3.0 percent of revenue compared to an operating loss of \$9.0 million or negative 28.1 percent of revenue in the prior year.
- Non-GAAP AHFS/WD revenue increased 21.6 percent to \$33.5 million over the year ago period and income from operations was \$4.4 million or 13.0 percent of adjusted revenue. This compares to \$2.2 million or 7.9 percent of adjusted revenue in the prior year.

Customer Strategy Services (CSS) — Customer Experience Strategy and Data Analytics Solutions

- CSS fourth quarter 2017 GAAP revenue grew 2.1 percent to \$18.0 million from \$17.7 million in the year ago quarter. Loss from operations was \$0.3 million or a negative 1.7 percent of revenue compared to an operating loss of \$1.9 million or negative 11.0 percent of revenue in the prior year.
- Non-GAAP AHFS/WD revenue declined 2.7 percent to \$15.5 million over the year ago period and income from operations was \$1.8 million or 11.5 percent of adjusted revenue. This compares to operating income of \$2.0 million or 12.7 percent of revenue in the prior year.

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BUSINESS OUTLOOK

“We are pleased with our 2017 performance, which exceeded our expectations and guidance,” commented Regina Paolillo, chief financial and administrative officer at TTEC. “In addition to our unwavering strategic focus to differentiate our solution portfolio and improve our go-to-market platforms, it is clear that the sales execution and profit optimization initiatives that we executed in 2016 was a noteworthy catalyst to our record 2017 performance.”

Paolillo continued, “We enter 2018 with a strong backlog supporting our continued progress in growing our top line and expanding our profit margins. Our revenue backlog is a premium to prior years, our cost structure is streamlined, and our sales and operations teams are aligned to increasingly deliver our full suite of unified capabilities across TTEC Digital and TTEC Engage. Last, our Board remains committed to maximizing shareholder value by utilizing our balance sheet and cash flow to invest in acquisitions and other strategic investments as well as distribute capital to our shareholders.”

We anticipate full year 2018 guidance, excluding non-GAAP AHFS/WD (Assets Held for Sale and Wind-down), which represents approximately \$8 million of revenue and breakeven operating income, as follows:

- **Revenue** — GAAP revenue estimated to increase 3.3 to 4.7 percent between \$1.505 and \$ 1.525 billion.
- **EBITDA Margin** — Non-GAAP EBITDA margin estimated between 13.0 and 13.3 percent.
- **Operating Income Margin** — GAAP operating income margin estimated between 8.7 and 8.9 percent.
- **Capital Expenditures** — Capital expenditures estimated at 3.8 percent of revenue, of which approximately 70 percent is growth oriented.

SEC FILINGS

The Company’s filings with the Securities and Exchange Commission are available in the “Investors” section of TTEC’s website, which can be found at www.ttec.com.

About TTEC (pronounced T-tec):

TTEC (NASDAQ: TTEC) is a leading global technology and services provider focused exclusively on the design, implementation and delivery of transformative customer experience for many of the world's most iconic and disruptive brands. The Company delivers outcome-based customer engagement solutions through TTEC Digital, its digital consultancy that designs and builds human centric, tech-enabled, insight-driven customer experience solutions for clients and TTEC Engage, its delivery center of excellence, that operates customer acquisition, care, growth and digital trust and safety services. Founded in 1982, the Company's 56,000 employees operate on six continents across the globe and live by a set of customer-focused values that guide relationships with clients, their customers, and each other. To learn more about how TTEC is bringing humanity to the customer experience, visit www.ttec.com.

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TTEC HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Revenue	\$ 426,623	\$ 344,947	\$ 1,477,365	\$ 1,275,258
Operating Expenses:				
Cost of services	312,618	249,943	1,110,068	941,592
Selling, general and administrative	49,942	44,895	182,314	175,797
Depreciation and amortization	17,234	16,914	64,507	68,675
Restructuring and integration charges, net	4,897	502	14,665	4,392
Impairment losses	5,322	26,448	5,322	32,050
Total operating expenses	<u>390,013</u>	<u>338,702</u>	<u>1,376,876</u>	<u>1,222,506</u>
Income From Operations	36,610	6,245	100,489	52,752
Other income (expense)	<u>(8,318)</u>	<u>290</u>	<u>(11,602)</u>	<u>(2,454)</u>
Income Before Income Taxes	28,292	6,535	88,887	50,298
Provision for income taxes	<u>(69,016)</u>	<u>(6,196)</u>	<u>(78,075)</u>	<u>(12,863)</u>
Net Income	(40,724)	339	10,812	37,435
Net income attributable to noncontrolling interest	<u>(728)</u>	<u>(953)</u>	<u>(3,556)</u>	<u>(3,757)</u>
Net Income Attributable to TTEC Stockholders	<u>\$ (41,452)</u>	<u>\$ (614)</u>	<u>\$ 7,256</u>	<u>\$ 33,678</u>
Net Income Per Share Attributable to TTEC Stockholders				
Basic	<u>\$ (0.90)</u>	<u>\$ (0.01)</u>	<u>\$ 0.16</u>	<u>\$ 0.71</u>
Diluted	<u>\$ (0.89)</u>	<u>\$ (0.01)</u>	<u>\$ 0.16</u>	<u>\$ 0.71</u>
Income From Operations Margin	8.6%	1.8%	6.8%	4.1%
Net Income Attributable to TTEC Stockholders Margin	(9.7)%	(0.2)%	0.5%	2.6%
Effective Tax Rate	243.9%	94.8%	87.8%	25.6%
Weighted Average Shares Outstanding				
Basic	45,856	46,386	45,826	47,423
Diluted	46,461	46,677	46,382	47,736

TTEC HOLDINGS, INC. AND SUBSIDIARIES
SEGMENT INFORMATION
(In thousands)

	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Revenue:				
Customer Management Services	\$ 343,252	\$ 259,933	\$ 1,141,760	\$ 924,325
Customer Growth Services	31,808	35,292	128,698	141,005

Customer Technology Services	33,527	32,056	138,581	141,254
Customer Strategy Services	18,036	17,666	68,326	68,674
Total	<u>\$ 426,623</u>	<u>\$ 344,947</u>	<u>\$ 1,477,365</u>	<u>\$ 1,275,258</u>
Income From Operations:				
Customer Management Services	\$ 34,402	\$ 14,352	\$ 78,206	\$ 50,541
Customer Growth Services	1,508	2,831	7,803	6,969
Customer Technology Services	1,013	(8,999)	12,047	933
Customer Strategy Services	(313)	(1,939)	2,433	(5,691)
Total	<u>\$ 36,610</u>	<u>\$ 6,245</u>	<u>\$ 100,489</u>	<u>\$ 52,752</u>

TTEC HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 74,437	\$ 55,264
Accounts receivable, net	385,751	300,808
Other current assets	74,767	66,940
Assets held for sale	7,835	10,715
Total current assets	<u>542,790</u>	<u>433,727</u>
Property and equipment, net	163,297	151,037
Other assets	372,649	261,540
Total assets	<u>\$ 1,078,736</u>	<u>\$ 846,304</u>
LIABILITIES AND EQUITY		
Total current liabilities	\$ 200,456	\$ 178,672
Liabilities held for sale	1,322	1,357
Other long-term liabilities	514,113	304,380
Total equity	<u>362,845</u>	<u>361,895</u>
Total liabilities and equity	<u>\$ 1,078,736</u>	<u>\$ 846,304</u>

TTEC HOLDINGS, INC. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION
(In thousands, except per share data)

	<u>Three months ended</u> <u>December 31,</u>		<u>Twelve months ended</u> <u>December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue	<u>\$ 426,623</u>	<u>\$ 344,947</u>	<u>\$ 1,477,365</u>	<u>\$ 1,275,258</u>
Reconciliation of EBIT & EBITDA:				
Net Income (Loss) Attributable to TTEC stockholders	\$ (41,452)	\$ (614)	\$ 7,256	\$ 33,678
Interest income	(821)	(408)	(2,841)	(1,234)
Interest expense	5,035	2,185	13,734	7,943
Provision for income taxes	69,016	6,196	78,075	12,863
EBIT	<u>\$ 31,778</u>	<u>\$ 7,359</u>	<u>\$ 96,224</u>	<u>\$ 53,250</u>
Depreciation and amortization	<u>17,234</u>	<u>16,914</u>	<u>64,507</u>	<u>68,675</u>
EBITDA	<u>\$ 49,012</u>	<u>\$ 24,273</u>	<u>\$ 160,731</u>	<u>\$ 121,925</u>
Reconciliation of Free Cash Flow:				
Cash Flow From Operating Activities:				
Net income	\$ (40,724)	\$ 339	\$ 10,812	\$ 37,435
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	17,234	16,914	64,507	68,675
Other	(13,001)	(16,261)	37,833	5,720
Net cash provided by operating activities	<u>(36,491)</u>	<u>992</u>	<u>113,152</u>	<u>111,830</u>

Less - Total Capital Expenditures	8,026	11,969	51,958	50,832
Free Cash Flow	\$ (44,517)	\$ (10,977)	\$ 61,194	\$ 60,998
Reconciliation of Non-GAAP Income from Operations:				
Income from Operations	\$ 36,610	\$ 6,245	\$ 100,489	\$ 52,752
Restructuring and integration charges, net	4,897	502	14,665	4,392
Impairment losses	5,322	26,448	5,322	32,050
Non-GAAP Income from Operations	\$ 46,829	\$ 33,195	\$ 120,476	\$ 89,194
Non-GAAP Income from Operations Margin	11.0%	9.6%	8.2%	7.0%
Reconciliation of Non-GAAP EPS:				
Net Income Attributable to TTEC stockholders	\$ (41,452)	\$ (614)	\$ 7,256	\$ 33,678
Add: Asset impairment, restructuring and integration charges, net of related taxes	6,401	18,479	12,304	26,190
Add: Estimated (gain) loss on assets held for sale, net of related taxes	(360)	—	1,547	4,208
Add: Changes in acquisition contingent consideration / transition services agreement, net of related taxes	3,150	(118)	3,150	(4,553)
Add: Interest charge related to future purchase of remaining 30% for Motif acquisition	1,210	—	1,210	—
Less: Gain on dissolution of foreign subsidiary, net of related taxes	—	—	(1,891)	—
Less: Gain on sale of business unit	(155)	—	(258)	—
Add: US 2017 Tax Act	62,372	—	62,372	—
Add: Changes in valuation allowance and returns to provision adjustments	25	1,720	(2,175)	3,623
Non-GAAP Net Income Attributable to TTEC stockholders	\$ 31,191	\$ 19,467	\$ 83,515	\$ 63,146
Diluted shares outstanding	46,461	46,677	46,382	47,736
Non-GAAP EPS Attributable to TTEC stockholders	\$ 0.67	\$ 0.42	\$ 1.80	\$ 1.32
Reconciliation of Non-GAAP EBITDA:				
Net Income Attributable to TTEC stockholders	\$ (41,452)	\$ (614)	\$ 7,256	\$ 33,678
Interest income	(821)	(408)	(2,841)	(1,234)
Interest expense	5,035	2,185	13,734	7,943
Provision for income taxes	69,016	6,196	78,075	12,863
Depreciation and amortization	17,234	16,914	64,507	68,675
Asset impairment, restructuring and integration charges	10,219	26,950	19,987	36,442
Gain on dissolution of a foreign subsidiary	—	—	(3,160)	—
Gain on sale of business unit	(259)	—	(430)	—
Changes in acquisition contingent consideration / transition service agreement	5,250	(199)	5,250	(4,766)
Estimated (gain) loss of assets held for sale	(600)	—	2,578	5,300
Equity-based compensation expenses	3,494	2,495	11,852	9,773
Non-GAAP EBITDA	\$ 67,116	\$ 53,519	\$ 196,808	\$ 168,674

TELETECH HOLDINGS, INC.

Non-GAAP AHFS/WD Reconciliation (Excluding Assets Held For Sale and Wind-down) & Year-over-Year (YoY) Growth Rate Comparison

U.S. Dollars in Thousands

FOURTH QUARTER

(three months end, December 31, 2017)

Revenue

	GAAP Revenue	Non-GAAP Revenue Contribution from AHFS/WD	Non-GAAP Revenue (excluding AHFS/WD)
CMS	\$ 343,252	\$ —	\$ 343,252
YoY Growth Rate:	32.1%		32.1%
CGS	\$ 31,808	\$ 915	\$ 30,893
YoY Growth Rate:	-9.9%		-9.0%
CTS	\$ 33,527	\$ —	\$ 33,527

	YoY Growth Rate:	4.6%		21.6%
CSS		\$ 18,036	\$ 2,542	\$ 15,494
	YoY Growth Rate:	2.1%		-2.7%
Company (Consolidated)		\$ 426,623	\$ 3,457	\$ 423,166
	YoY Growth Rate:	23.7%		25.4%

Operating Income

	GAAP Operating Income	Non-GAAP Operating Income Adjustments	Non-GAAP Operating Income	Non-GAAP Operating Income Contribution from AHFS/WD	Non-GAAP Operating Income (excluding AHFS/WD)
CMS	\$ 34,402	\$ 4,791	\$ 39,193	\$ —	\$ 39,193
	Operating Margin:	10.0%	11.4%		11.4%
CGS	\$ 1,508	\$ —	\$ 1,508	\$ (619)	\$ 2,127
	Operating Margin:	4.7%	4.7%		6.9%
CTS	\$ 1,013	\$ 3,300	\$ 4,313	\$ (56)	\$ 4,369
	Operating Margin:	3.0%	12.9%		13.0%
CSS	\$ (313)	\$ 2,128	\$ 1,815	\$ 25	\$ 1,790
	Operating Margin:	-1.7%	10.1%		11.5%
Company	\$ 36,610	\$ 10,219	\$ 46,829	\$ (650)	\$ 47,479
	Operating Margin:	8.6%	11.0%		11.2%

Segments Defined: CMS (Customer Management Services), CGS (Customer Growth Services), CTS (Customer Technology Services), CSS (Customer Strategy Services)

Non-GAAP AHFS/WD Defined: Excludes from revenue and operating income i) assets held for sale and wind-down, and ii) restructuring charges.

Non-GAAP AHFS/WD Reconciliation (Excluding Assets Held For Sale and Wind-down) & Year-over-Year (YoY) Growth Rate Comparison

U.S. Dollars in Thousands

FOURTH QUARTER

(twelve months end, December 31, 2017)

Revenue

	GAAP Revenue	Non-GAAP Revenue Contribution from AHFS/WD	Non-GAAP Revenue (excluding AHFS/WD)
CMS	\$ 1,141,760	\$ —	\$ 1,141,760
	YoY Growth Rate:	23.5%	23.5%
CGS	\$ 128,698	\$ 4,430	\$ 124,268
	YoY Growth Rate:	-8.7%	-8.1%
CTS	\$ 138,581	\$ 6,780	\$ 131,801
	YoY Growth Rate:	-1.9%	8.5%
CSS	\$ 68,326	\$ 8,858	\$ 59,468
	YoY Growth Rate:	-0.5%	-2.6%
Company (Consolidated)	\$ 1,477,365	\$ 20,068	\$ 1,457,297
	YoY Growth Rate:	15.8%	17.3%

Operating Income

	GAAP Operating Income	Non-GAAP Operating Income Adjustments	Non-GAAP Operating Income	Non-GAAP Operating Income Contribution from AHFS/WD	Non-GAAP Operating Income (excluding AHFS/WD)
CMS	\$ 78,206	\$ 14,348	\$ 92,554	\$ —	\$ 92,554
	Operating Margin:	6.8%	8.1%		8.1%
CGS	\$ 7,803	\$ —	\$ 7,803	\$ (1,061)	\$ 8,864
	Operating Margin:	6.1%	6.1%		7.1%
CTS	\$ 12,047	\$ 3,477	\$ 15,524	\$ 472	\$ 15,052
	Operating Margin:	8.7%	11.2%		11.4%
CSS	\$ 2,434	\$ 2,162	\$ 4,596	\$ (1,435)	\$ 6,031
	Operating Margin:	3.6%	6.7%		10.1%
Company	\$ 100,489	\$ 19,987	\$ 120,477	\$ (2,024)	\$ 122,501
	Operating Margin:	6.8%	8.2%		8.4%

Segments Defined: CMS (Customer Management Services), CGS (Customer Growth Services), CTS (Customer Technology Services), CSS (Customer Strategy Services)

Non-GAAP AHFS/WD Defined: Excludes from revenue and operating income i) assets held for sale and wind-down, and ii) restructuring charges.
