

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 23, 2023

TTEC Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-11919
(Commission file
number)

84-1291044
(IRS Employer
Identification Number)

9197 S. Peoria Street, Englewood, CO 80112-5833
(Address of principal executive offices) (Zip Code)

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

Not Applicable
(Former name or former address if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common stock of TTEC Holdings, Inc., \$0.01 par value per share | TTEC | NASDAQ |

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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 February 27, 2023, TTEC Holdings, Inc. issued a press release announcing its financial results for its fourth quarter and fiscal year ended December 31, 2022.

A copy of the February 27, 2023 press release is attached hereto as Exhibit 99.1 to this current report on Form 8-K.

Item 8.01. Other Events.

On February 23, 2023, the Company's Board of Directors declared a cash dividend of \$0.52 per common share to be paid on April 20, 2023 to shareholders of record as of March 31, 2023.

A copy of the press release announcing the cash dividend is attached as Exhibit 99.2 to this current report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

EXHIBIT INDEX

| Exhibit No. | Description |
|----------------------|--|
| 99.1 | Press release announcing financial results for fourth quarter and fiscal year ended December 31, 2022, dated February 27, 2023 |
| 99.2 | Press release announcing cash dividend, dated February 27, 2023 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

The information in this Form 8-K, including the exhibits attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

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: February 28, 2023

By: /s/ Dustin J. Semach
Dustin J. Semach
Chief Financial Officer



**TTEC Announces Fourth Quarter and
Full Year 2022 Financial Results**

Full Year 2022

Revenue was \$2.444 Billion, up 7.5 Percent and 9.4 Percent on a Constant Currency Basis
Operating Income was \$168.5 Million or 6.9 Percent of Revenue
(\$248.5 Million or 10.2 Percent of Revenue Non-GAAP)
Net Income was \$117.3 Million or 4.8 Percent of Revenue
(\$174.4 Million or 7.1 Percent of Revenue Non-GAAP)
Adjusted EBITDA was \$326.6 Million or 13.4 Percent of Revenue
Fully Diluted EPS was \$2.48 (\$3.68 Non-GAAP)

Full Year Bookings of \$762 Million

Fourth Quarter 2022

Revenue was \$658.3 Million, up 7.5 Percent and 9.6 Percent on a Constant Currency Basis
Operating Income was \$48.7 Million or 7.4 Percent of Revenue
(\$69.9 Million or 10.6 Percent of Revenue Non-GAAP)
Net Income was \$25.6 Million or 3.9 Percent of Revenue
(\$42.0 Million or 6.4 Percent of Revenue Non-GAAP)
Adjusted EBITDA was \$84.8 Million or 12.9 Percent of Revenue
Fully Diluted EPS was \$0.54 (\$0.89 Non-GAAP)

Fourth Quarter Bookings of \$197 Million

Provides Outlook for Full Year 2023

DENVER, February 27, 2023 – TTEC Holdings, Inc. (NASDAQ: TTEC), one of the largest, global CX (customer experience) technology and services innovators for end-to-end digital CX solutions, announced today financial results for the fourth quarter and full year ended December 31, 2022.

“We ended 2022 with solid execution and financial results despite the increased uncertainties surrounding the macroeconomic environment. Our performance reflects our broad and diverse base of global clients, our expertise across key strategic verticals, and our full range of CX technology, AI, and service capabilities,” commented Ken Tuchman, chairman and chief executive officer of TTEC. “In this dynamic environment, we will continue to execute on our strategy to accelerate the diversification of our geographic and language footprint, and capitalize on the growing adoption of the modern capabilities enabled by the CX cloud.”

Tuchman continued, “Over the last forty years, we have thoughtfully managed through uncertain business cycles and always come out stronger. We have proven time and again that we are resilient, innovative and have what it takes to turn challenges into opportunities. Our strategy for 2023 is prudent and designed to set us up for accelerated growth in 2024. The plan will enable us to operate efficiently in the short term while investing in capabilities our clients need today and into the future.”

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FULL YEAR 2022 FINANCIAL HIGHLIGHTS

Revenue

- Full year 2022 GAAP revenue increased 7.5 percent to \$2.444 billion compared to \$2.273 billion in the prior year.
- Foreign exchange had a \$42.4 million negative impact on revenue for the full year 2022.

Income from Operations

- Full year 2022 GAAP income from operations was \$168.5 million, or 6.9 percent of revenue, compared to \$217.2 million, or 9.6 percent of revenue in the prior year.
- Non-GAAP income from operations, excluding restructuring and impairment charges, equity-based compensation expenses, amortization of purchased intangibles, and other items, was \$248.5 million, or 10.2 percent of revenue, compared to \$286.2 million, or 12.6 percent for the prior year.
- Foreign exchange had a \$13.9 million positive impact on Non-GAAP income from operations for the full year 2022.

Adjusted EBITDA

- Full year 2022 Non-GAAP Adjusted EBITDA was \$326.6 million, or 13.4 percent of revenue, compared to \$354.4 million, or 15.6 percent of revenue in the prior year.

Earnings Per Share

- Full year 2022 GAAP fully diluted earnings per share was \$2.48 compared to \$3.34 for the prior year.
- Non-GAAP fully diluted earnings per share was \$3.68 compared to \$4.62 in the prior year.

Bookings

- During the full year 2022, TTEC signed an estimated \$762 million in annualized contract value compared to \$751 million in the prior year. Full year bookings mix was diversified across segments, verticals, and geographies.

FOURTH QUARTER 2022 FINANCIAL HIGHLIGHTS

Revenue

- Fourth quarter 2022 GAAP revenue increased 7.5 percent to \$658.3 million compared to \$612.3 million in the prior year period.
- Foreign exchange had a \$12.6 million negative impact on revenue in the fourth quarter 2022.

Income from Operations

- Fourth quarter 2022 GAAP income from operations was \$48.7 million, or 7.4 percent of revenue, compared to \$51.9 million, or 8.5 percent of revenue in the prior year period.
- Non-GAAP income from operations, excluding restructuring and impairment charges, equity-based compensation expenses, amortization of purchased intangibles, and other items, was \$69.9 million, or 10.6 percent of revenue, compared to \$68.3 million, or 11.2 percent for the prior year period.
- Foreign exchange had a \$4.5 million positive impact on Non-GAAP income from operations in the fourth quarter 2022.

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ttec Press Release

Adjusted EBITDA

- Fourth quarter 2022 Non-GAAP Adjusted EBITDA was \$84.8 million, or 12.9 percent of revenue, compared to \$84.1 million, or 13.7 percent of revenue in the prior year period.

Earnings Per Share

- Fourth quarter 2022 GAAP fully diluted earnings per share was \$0.54 compared to \$0.69 for the same period last year.
- Non-GAAP fully diluted earnings per share was \$0.89 compared to \$1.08 in the prior year period.

Bookings

- During the fourth quarter 2022, TTEC signed an estimated \$197 million in annualized contract value compared to \$206 million in the prior year period. Fourth quarter bookings mix was diversified across segments, verticals, and geographies.

STRONG CASH FLOW AND BALANCE SHEET FUND INVESTMENTS AND DIVIDENDS

- Cash flow from operations in the fourth quarter 2022 was \$18.2 million compared to \$76.2 million for the fourth quarter 2021. For the full year 2022, cash flow from operations was \$137.0 million compared to \$251.3 million for the same period 2021.
- Capital expenditures in the fourth quarter 2022 were \$19.4 million compared to \$19.6 million for the fourth quarter 2021. For the full year 2022, capital expenditures were \$84.0 million compared to \$60.4 million for the same period 2021.
- As of December 31, 2022, TTEC had cash and cash equivalents of \$153.4 million and debt of \$963.6 million, resulting in a net debt position of \$810.2 million. This compares to a net debt position of \$638.9 million for the same period 2021. The increase in net debt is primarily attributable to the acquisition of Faneuil in April 2022.
- As of December 31, 2022, TTEC's remaining borrowing capacity under its revolving credit facility was approximately \$335 million compared to \$565 million for the same period 2021.
- TTEC paid a \$0.52 per share, or \$24.6 million, semi-annual dividend on October 26, 2022. On February 23, 2023, the Board declared the next semi-annual dividend of \$0.52 per share, payable on April 20, 2023 to shareholders of record as of March 31, 2023. This dividend is unchanged over the October 2022 dividend and 4.0 percent over the April 2022 dividend.

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SEGMENT REPORTING & COMMENTARY

TTEC reports financial results for the following two business segments: TTEC Digital (Digital) and TTEC (Engage). Financial highlights for the two segments are provided below.

TTEC Digital – Design, build and operate tech-enabled, insight-driven CX solutions

- Fourth quarter 2022 GAAP revenue for TTEC Digital increased 4.2 percent to \$123.4 million from \$118.4 million for the year ago period. Income from operations was \$8.4 million or 6.8 percent of revenue compared to operating income of \$13.0 million or 11.0 percent of revenue for the prior year period.
- Non-GAAP income from operations was \$16.5 million, or 13.3 percent of revenue compared to operating income of \$20.2 million or 17.1 percent of revenue in the prior year period.

TTEC Engage – Digitally-enabled customer care, acquisition, and fraud mitigation services

- Fourth quarter 2022 GAAP revenue for TTEC Engage increased 8.3 percent to \$534.9 million from \$493.9 million for the year ago period. Income from operations was \$40.3 million or 7.5 percent of revenue compared to operating income of \$38.9 million, or 7.9 percent of revenue for the prior year period.
- Non-GAAP income from operations was \$53.4 million, or 10.0 percent of revenue, compared to operating income of \$48.1 million, or 9.7 percent of revenue in the prior year period.
- Foreign exchange had a \$11.6 million negative impact on revenue and \$4.2 million positive impact on income from operations.

BUSINESS OUTLOOK

“Our solid fourth-quarter performance capped a year in which we grew revenue 9.4 percent on a constant currency basis, reflecting the contribution from strategic acquisitions partially offset by emerging macroeconomic headwinds in the second half of the year,” commented Dustin Semach, chief financial officer of TTEC.

Semach continued, “We are confident we will successfully navigate the dynamic environment ahead of us and position the company for accelerated growth as we exit the year. We are excited about our future, supported by our 40-year track record of delivering innovation and value-driven CX outcomes for our clients, a strong executive leadership team, and an unmatched CX technology and services platform.”

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TTEC Full Year 2023 Outlook

| | First Quarter 2023 Guidance | First Quarter 2023 Mid-Point | Full Year 2023 Guidance | Full Year 2023 Mid-Point |
|-----------------------------------|--------------------------------|---------------------------------|----------------------------|-----------------------------|
| Revenue | \$591M — \$607M | \$599M | \$2,460M — \$2,540M | \$2,500M |
| Non-GAAP adjusted EBITDA | \$58M — \$66M | \$62M | \$290M — \$310M | \$300M |
| Non-GAAP adjusted EBITDA margins | 9.9% — 11.0% | 10.4% | 11.8% — 12.2% | 12.0% |
| Non-GAAP operating income | \$42M — \$50M | \$46M | \$221M — \$241M | \$231M |
| Non-GAAP operating income margins | 7.2% — 8.3% | 7.7% | 9.0% — 9.5% | 9.3% |
| Interest expense, net | (\$17M) — (\$18M) | (\$17M) | (\$74M) — (\$76M) | (\$75M) |
| Effective tax rate | 22% — 24% | 23% | 22% — 24% | 23% |
| Diluted share count | 47.2M — 47.4M | 47.3M | 47.3M — 47.5M | 47.4M |
| Non-GAAP earnings per a share | \$0.41 — \$0.54 | \$0.48 | \$2.38 — \$2.71 | \$2.54 |

Engage Full Year 2023 outlook

| | First Quarter 2023 Guidance | First Quarter 2023 Mid-Point | Full Year 2023 Guidance | Full Year 2023 Mid-Point |
|-----------------------------------|--------------------------------|---------------------------------|----------------------------|-----------------------------|
| Revenue | \$486M — \$496M | \$491M | \$1,970M — \$2,030M | \$2,000M |
| Non-GAAP adjusted EBITDA | \$49M — \$55M | \$52M | \$221M — \$235M | \$228M |
| Non-GAAP adjusted EBITDA margins | 10.0% — 11.0% | 10.5% | 11.2% — 11.6% | 11.4% |
| Non-GAAP operating income | \$34M — \$40M | \$37M | \$164M — \$178M | \$171M |
| Non-GAAP operating income margins | 7.1% — 8.2% | 7.6% | 8.3% — 8.8% | 8.5% |

Digital Full Year 2023 outlook

| | First Quarter 2023 Guidance | First Quarter 2023 Mid-Point | Full Year 2023 Guidance | Full Year 2023 Mid-Point |
|-----------------------------------|--------------------------------|---------------------------------|----------------------------|-----------------------------|
| Revenue | \$105M — \$111M | \$108M | \$490M — \$510M | \$500M |
| Non-GAAP adjusted EBITDA | \$10M — \$12M | \$11M | \$69M — \$75M | \$72M |
| Non-GAAP adjusted EBITDA margins | 9.4% — 10.7% | 10.0% | 14.1% — 14.7% | 14.4% |
| Non-GAAP operating income | \$8M — \$10M | \$9M | \$57M — \$63M | \$60M |
| Non-GAAP operating income margins | 7.5% — 8.9% | 8.2% | 11.7% — 12.4% | 12.1% |

The Company has not quantitatively reconciled its guidance for Non-GAAP operating income margins, Non-GAAP adjusted EBITDA margins, or Non-GAAP earnings per share to their respective most comparable GAAP measures because certain of the reconciling items that impact these metrics, including asset impairment, restructuring and integration charges, cybersecurity incident-related costs, gains or losses on the sale of business units or other assets, equity-based compensation expense, changes in acquisition contingent consideration, depreciation and amortization expense, and provision for income taxes are dependent on the timing of future events outside of the Company's control or cannot be reliably predicted. Accordingly, the Company is unable to provide reconciliations to GAAP operating income margins, net income margins, and diluted earnings per share without unreasonable effort. Please note that the unavailable reconciling items could significantly impact the Company's 2023 financial results as reported under GAAP.

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NON-GAAP FINANCIAL MEASURES

This press release contains a discussion of certain Non-GAAP financial measures that the Company includes to allow investors and analysts to measure, analyze and compare its financial condition and results of operations in a meaningful and consistent manner. A reconciliation of these Non-GAAP financial measures can be found in the tables accompanying this press release.

- **GAAP** metrics are presented in accordance with Generally Accepted Accounting Principles.
- **Non-GAAP** - As reflected in the attached reconciliation table, the definition of Non-GAAP may exclude from operating income, EBITDA, net income and earnings per share restructuring and impairment charges, equity-based compensation expenses, amortization of purchased intangibles, among other items.

ABOUT TTEC

TTEC Holdings, Inc. (NASDAQ: TTEC) is one of the largest, global CX (customer experience) technology and services innovators for end-to-end, digital CX solutions. The Company delivers leading CX technology and operational CX orchestration at scale through its proprietary cloud-based CXaaS (Customer Experience as a Service) platform. Serving iconic and disruptive brands, TTEC's outcome-based solutions span the entire enterprise, touch every virtual interaction channel, and improve each step of the customer journey. Leveraging next gen digital and cognitive technology, the Company's Digital business designs, builds, and operates omnichannel contact center technology, conversational messaging, CRM, automation (AI / ML and RPA), and analytics solutions. The Company's Engage business delivers digital customer engagement, customer acquisition and growth, content moderation, fraud prevention, and data annotation solutions. Founded in 1982, the Company's singular obsession with CX excellence has earned it leading client NPS scores across the globe. The Company's 69,400 employees operate on six continents and bring technology and humanity together to deliver happy customers and differentiated business results. To learn more visit us at <https://www.ttec.com>

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FORWARD-LOOKING STATEMENTS

This earnings release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995, relating to our operations, expected financial position, results of operation, and other business matters that are based on our current expectations, assumptions, and projections with respect to the future, and are not a guarantee of performance. In this release when we use words such as “may,” “believe,” “plan,” “will,” “anticipate,” “estimate,” “expect,” “intend,” “project,” “would,” “could,” “target,” or similar expressions, or when we discuss our strategy, plans, goals, initiatives, or objectives, we are making forward-looking statements.

We caution you not to rely unduly on any forward-looking statements. Actual results may differ materially from those expressed in the forward-looking statements, and you should review and consider carefully the risks, uncertainties, and other factors that affect our business and may cause such differences as outlined in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022 and any subsequent filings with the U.S. Securities and Exchange Commission (the “SEC”) which are available on TTEC’s website www.ttec.com, and on the SEC’s public website at www.sec.gov. Important factors that could cause our actual results to differ materially from those indicated in the forward looking statements include, among others: the risks related to our business operations and strategy, including the risks related to our strategy execution in a competitive market; our ability to innovate and introduce technologies that are sufficiently disruptive to allow us to maintain and grow our market share, including the effective adoption of artificial intelligence into our solutions; risks that may arise in connection with events outside of our control, such as macroeconomic conditions, geopolitical tensions, and outbreaks of infectious diseases; risks inherent in a disruption of our information technology systems, our technology infrastructure’s cybersecurity in general, and cyber-related criminal activity such as ransomware, other malware and data breach in particular, which can impact our ability to consistently deliver uninterrupted service to our clients and may result in government enforcement actions, regulatory investigations, fines, penalties, and private legal actions; risks inherent in the delivery of client services by employees working from home; our ability to attract and retain qualified and skilled personnel at a price point that we can afford and our clients are willing to pay; our M&A activity, including our ability to identify, acquire and properly integrate acquired businesses in accordance with our strategy; our reliance on a relatively small number of clients to generate the majority of our revenue and our reliance on technology partners to generate a large portion of TTEC Digital’s revenue; the risks related to legal and regulatory impact on our operations, including rapidly changing and at times inconsistent laws that regulate our and our clients’ business, such as data privacy and data protection laws, regulatory changes impacting our healthcare businesses, financial and public sector specific regulations, our ability to comply with these laws timely and cost effectively; the cost of wage and hour litigation and other class action litigation in the United States; the risk related to our international operations including the stress that geographic expansion may have on our business and the impacts if we are unable to expand geographically to meet our clients’ demand; and risks inherent in our equity structure including our controlling shareholder risk, and Delaware choice of dispute resolution risks.

Our forward-looking statements speak only as of the date that this release is issued. We undertake no obligation to update them, except as may be required by applicable law. Although we believe that our forward-looking statements are reasonable, they depend on many factors outside of our control and we can provide no assurance that they will prove to be correct.

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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, | |
|---|------------------------------------|------------------|-------------------------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | \$ 658,278 | \$ 612,315 | \$ 2,443,707 | \$ 2,273,062 |
| Operating Expenses: | | | | |
| Cost of services | 495,339 | 467,340 | 1,856,518 | 1,704,109 |
| Selling, general and administrative | 80,602 | 58,511 | 287,433 | 239,994 |
| Depreciation and amortization | 31,730 | 26,051 | 111,791 | 96,706 |
| Restructuring charges, net | 1,412 | 1,195 | 5,673 | 3,807 |
| Impairment losses | 450 | 7,305 | 13,749 | 11,254 |
| Total operating expenses | <u>609,533</u> | <u>560,402</u> | <u>2,275,164</u> | <u>2,055,870</u> |
| Income From Operations | 48,745 | 51,913 | 168,543 | 217,192 |
| Other income (expense), net | <u>(15,877)</u> | <u>(4,738)</u> | <u>(24,095)</u> | <u>(9,308)</u> |
| Income Before Income Taxes | 32,868 | 47,175 | 144,448 | 207,884 |
| Provision for income taxes | <u>(7,318)</u> | <u>(14,424)</u> | <u>(27,115)</u> | <u>(49,695)</u> |
| Net Income | 25,550 | 32,751 | 117,333 | 158,189 |
| Net income attributable to noncontrolling interest | <u>(3,197)</u> | <u>(4,003)</u> | <u>(14,093)</u> | <u>(17,219)</u> |
| Net Income Attributable to TTEC Stockholders | <u>\$ 22,353</u> | <u>\$ 28,748</u> | <u>\$ 103,240</u> | <u>\$ 140,970</u> |
| Net Income Per Share | | | | |
| Basic | <u>\$ 0.54</u> | <u>\$ 0.70</u> | <u>\$ 2.49</u> | <u>\$ 3.37</u> |
| Diluted | <u>\$ 0.54</u> | <u>\$ 0.69</u> | <u>\$ 2.48</u> | <u>\$ 3.34</u> |
| Net Income Per Share Attributable to TTEC Stockholders | | | | |
| Basic | <u>\$ 0.47</u> | <u>\$ 0.61</u> | <u>\$ 2.19</u> | <u>\$ 3.01</u> |
| Diluted | <u>\$ 0.47</u> | <u>\$ 0.61</u> | <u>\$ 2.18</u> | <u>\$ 2.97</u> |
| Income From Operations Margin | 7.4% | 8.5% | 6.9% | 9.6% |
| Net Income Margin | 3.9% | 5.3% | 4.8% | 7.0% |
| Net Income Attributable to TTEC Stockholders Margin | 3.4% | 4.7% | 4.2% | 6.2% |
| Effective Tax Rate | 22.3% | 30.6% | 18.8% | 23.9% |
| Weighted Average Shares Outstanding | | | | |
| Basic | 47,220 | 46,989 | 47,121 | 46,890 |
| Diluted | 47,299 | 47,372 | 47,335 | 47,386 |

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

| | Three months ended December 31, | | Twelve months ended December 31, | |
|--------------------------------|------------------------------------|-------------------|-------------------------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue: | | | | |
| TTEC Digital | \$ 123,411 | \$ 118,436 | \$ 471,523 | \$ 414,104 |
| TTEC Engage | 534,867 | 493,879 | 1,972,184 | 1,858,958 |
| Total | <u>\$ 658,278</u> | <u>\$ 612,315</u> | <u>\$ 2,443,707</u> | <u>\$ 2,273,062</u> |
| Income From Operations: | | | | |
| TTEC Digital | \$ 8,433 | \$ 13,000 | \$ 33,729 | \$ 35,437 |
| TTEC Engage | 40,312 | 38,913 | 134,814 | 181,755 |
| Total | <u>\$ 48,745</u> | <u>\$ 51,913</u> | <u>\$ 168,543</u> | <u>\$ 217,192</u> |

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

| | <u>December 31,</u> <u>2022</u> | <u>December 31,</u> <u>2021</u> |
|---|------------------------------------|------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 153,435 | \$ 158,205 |
| Accounts receivable, net | 417,637 | 357,310 |
| Other current assets | 178,898 | 182,472 |
| Total current assets | 749,970 | 697,987 |
| Property and equipment, net | 183,360 | 168,404 |
| Operating lease assets | 92,431 | 90,180 |
| Goodwill | 807,845 | 739,481 |
| Other intangibles assets, net | 233,909 | 212,349 |
| Other assets | 86,447 | 88,403 |
| Total assets | \$ 2,153,962 | \$ 1,996,804 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 93,937 | \$ 70,415 |
| Accrued employee compensation and benefits | 145,096 | 156,324 |
| Deferred revenue | 87,846 | 95,608 |
| Current operating lease liabilities | 35,271 | 44,460 |
| Other current liabilities | 49,214 | 77,589 |
| Total current liabilities | 411,364 | 444,396 |
| Long-term liabilities: | | |
| Line of credit | 960,000 | 791,000 |
| Non-current operating lease liabilities | 69,575 | 64,419 |
| Other long-term liabilities | 79,273 | 102,648 |
| Total long-term liabilities | 1,108,848 | 958,067 |
| Redeemable noncontrolling interest | 55,645 | 56,316 |
| Equity: | | |
| Common stock | 472 | 470 |
| Additional Paid in Capital | 367,673 | 361,135 |
| Treasury stock | (593,164) | (597,031) |
| Accumulated other comprehensive income (loss) | (126,301) | (98,426) |
| Retained earnings | 911,233 | 856,065 |
| Noncontrolling interest | 18,192 | 15,812 |
| Total equity | 578,105 | 538,025 |
| Total liabilities and equity | \$ 2,153,962 | \$ 1,996,804 |

TTEC HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

| | <u>Twelve Months Ended</u> <u>December 31,</u> <u>2022</u> | <u>Twelve Months Ended</u> <u>December 31,</u> <u>2021</u> |
|---|--|--|
| Cash flows from operating activities: | | |
| Net income | \$ 117,333 | \$ 158,189 |
| Adjustment to reconcile net income to net cash provided by operating activities : | | |
| Depreciation and amortization | 111,791 | 96,706 |
| Amortization of contract acquisition costs | 2,065 | 983 |
| Amortization of debt issuance costs | 1,018 | 1,016 |
| Imputed interest expense and fair value adjustments to contingent consideration | 1,746 | 1,168 |
| Provision for credit losses | 9,391 | (350) |
| Loss on disposal of assets | 1,916 | 1,127 |
| Impairment losses | 13,749 | 11,254 |
| Deferred income taxes | (11,001) | 831 |
| Excess tax benefit from equity-based awards | (1,122) | (5,301) |
| Equity-based compensation expense | 17,571 | 16,425 |
| Loss / (gain) on foreign currency derivatives | (7) | (213) |
| Changes in assets and liabilities, net of acquisitions: | | |
| Accounts receivable | (74,564) | 40,156 |
| Prepays and other assets | 43,699 | 18,407 |
| Accounts payable and accrued expenses | (12,695) | (17,209) |
| Deferred revenue and other liabilities | (83,842) | (71,893) |
| Net cash provided by operating activities | <u>137,048</u> | <u>251,296</u> |
| Cash flows from investing activities: | | |
| Proceeds from sale of property, plant and equipment | 229 | 93 |
| Purchases of property, plant and equipment | (84,012) | (60,358) |
| Acquisitions | (142,420) | (481,718) |
| Net cash used in investing activities | <u>(226,203)</u> | <u>(541,983)</u> |
| Cash flows from financing activities: | | |
| Net proceeds / (borrowings) from line of credit | 169,000 | 406,000 |
| Payments on other debt | (3,245) | (6,626) |
| Payments of contingent consideration and hold back payments to acquisitions | (9,600) | (11,517) |
| Dividends paid to shareholders | (48,072) | (42,217) |
| Payments to noncontrolling interest | (11,883) | (10,984) |
| Tax payments related to the issuance of restricted stock units | (7,164) | (11,397) |
| Payments of debt issuance costs | - | (3,614) |
| Net cash provided by financing activities | <u>89,036</u> | <u>319,645</u> |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash | <u>(13,499)</u> | <u>(7,291)</u> |
| Increase in cash, cash equivalents and restricted cash | (13,618) | 21,667 |
| Cash, cash equivalents and restricted cash, beginning of period | 180,682 | 159,015 |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 167,064</u> | <u>\$ 180,682</u> |

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

| | Three months ended December 31, | | Twelve months ended December 31, | |
|--|------------------------------------|------------------|-------------------------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | \$ 658,278 | \$ 612,315 | \$ 2,443,707 | \$ 2,273,062 |
| Reconciliation of Non-GAAP Income from Operations and EBITDA: | | | | |
| Income from Operations | \$ 48,745 | \$ 51,913 | \$ 168,543 | \$ 217,192 |
| Restructuring charges, net | 1,412 | 1,195 | 5,673 | 3,807 |
| Impairment losses | 450 | 7,305 | 13,749 | 11,254 |
| Grant income for pandemic relief | - | 33 | - | (8,142) |
| Cybersecurity incident related impact, net of insurance recovery | (446) | (5,796) | (3,610) | 13,659 |
| Software accelerated amortization | 6,382 | - | 8,509 | - |
| Write-off of acquisition related receivable | - | - | 900 | - |
| Equity-based compensation expenses | 4,331 | 4,456 | 17,571 | 16,425 |
| Amortization of purchased intangibles | 9,038 | 9,238 | 37,169 | 31,990 |
| Non-GAAP Income from Operations | \$ 69,912 | \$ 68,344 | \$ 248,504 | \$ 286,185 |
| Non-GAAP Income from Operations Margin | 10.6% | 11.2% | 10.2% | 12.6% |
| Depreciation and amortization | 16,310 | 16,813 | 66,113 | 64,716 |
| Changes in acquisition contingent consideration | (272) | 122 | 1,798 | 1,168 |
| Other Income (expense), net | (1,156) | (1,222) | 10,161 | 2,315 |
| Adjusted EBITDA | \$ 84,794 | \$ 84,057 | \$ 326,576 | \$ 354,384 |
| Adjusted EBITDA Margin | 12.9% | 13.7% | 13.4% | 15.6% |
| Reconciliation of Non-GAAP EPS: | | | | |
| Net Income | \$ 25,550 | \$ 32,751 | \$ 117,333 | \$ 158,189 |
| Add: Asset impairment and restructuring charges | 1,862 | 8,500 | 19,422 | 15,061 |
| Add: Equity-based compensation expenses | 4,331 | 4,456 | 17,571 | 16,425 |
| Add: Amortization of purchased intangibles | 9,038 | 9,238 | 37,169 | 31,990 |
| Add: Cybersecurity incident related impact, net of insurance recovery | (446) | (5,796) | (3,610) | 13,659 |
| Add: Software accelerated amortization | 6,382 | - | 8,509 | - |
| Add: Changes in acquisition contingent consideration | (272) | 122 | 1,798 | 1,168 |
| Add: Write-off of acquisition related receivable | - | - | 900 | - |
| Less: Grant income for pandemic relief | - | 33 | - | (8,142) |
| Less: Changes in valuation allowance, return to provision adjustments and other, and tax effects of items separately disclosed above | (4,444) | 1,922 | (24,664) | (9,446) |
| Non-GAAP Net Income | \$ 42,001 | \$ 51,226 | \$ 174,428 | \$ 218,904 |
| Diluted shares outstanding | 47,299 | 47,372 | 47,335 | 47,386 |
| Non-GAAP EPS | \$ 0.89 | \$ 1.08 | \$ 3.68 | \$ 4.62 |
| Reconciliation of Free Cash Flow: | | | | |
| Cash Flow From Operating Activities: | | | | |
| Net income | \$ 25,550 | \$ 32,751 | \$ 117,333 | \$ 158,189 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 31,730 | 26,051 | 111,791 | 96,706 |
| Other | (39,045) | 17,432 | (92,076) | (3,599) |
| Net cash provided by operating activities | 18,235 | 76,234 | 137,048 | 251,296 |
| Less - Total Cash Capital Expenditures | 19,448 | 19,580 | 84,012 | 60,358 |
| Free Cash Flow | \$ (1,213) | \$ 56,654 | \$ 53,036 | \$ 190,938 |

Reconciliation of Non-GAAP Income from Operations and Adjusted EBITDA by Segment :

| | TTEC Engage | | TTEC Digital | | TTEC Engage | | TTEC Digital | |
|--|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|
| | Q4 22 | Q4 21 | Q4 22 | Q4 21 | YTD 22 | YTD 21 | YTD 22 | YTD 21 |
| Income from Operations | \$ 40,313 | \$ 38,913 | \$ 8,432 | \$ 13,000 | \$ 134,815 | \$ 181,755 | \$ 33,728 | \$ 35,438 |
| Restructuring charges, net | 1,130 | 1,195 | 282 | - | 5,251 | 2,937 | 422 | 869 |
| Impairment losses | 24 | 7,352 | 426 | (47) | 13,112 | 11,702 | 637 | (448) |
| Grant income for pandemic relief | - | 33 | - | - | - | (8,036) | - | (106) |
| Cybersecurity incident related impact, net of insurance recovery | (446) | (5,792) | - | (4) | (3,610) | 13,429 | - | 230 |
| Software accelerated amortization | 5,106 | - | 1,276 | - | 6,807 | - | 1,702 | - |
| Write-off of acquisition related receivable | - | - | - | - | - | - | 900 | - |
| Equity-based compensation expenses | 2,659 | 3,099 | 1,672 | 1,357 | 11,406 | 11,604 | 6,165 | 4,821 |
| Amortization of purchased intangibles | 4,658 | 3,303 | 4,380 | 5,935 | 17,272 | 13,224 | 19,897 | 18,766 |
| Non-GAAP Income from Operations | \$ 53,444 | \$ 48,103 | \$ 16,468 | \$ 20,241 | \$ 185,053 | \$ 226,615 | \$ 63,451 | \$ 59,570 |
| Depreciation and amortization | 13,340 | 13,593 | 2,970 | 3,220 | 54,233 | 53,016 | 11,880 | 11,700 |
| Changes in acquisition contingent consideration | (272) | 122 | - | - | 1,798 | 1,168 | - | - |
| Other Income (expense), net | (1,063) | (1,318) | (93) | 96 | 9,352 | 2,164 | 809 | 151 |
| Adjusted EBITDA | \$ 65,449 | \$ 60,500 | \$ 19,345 | \$ 23,557 | \$ 250,436 | \$ 282,963 | \$ 76,140 | \$ 71,421 |

 **Press Release****TTEC's Board of Directors Declared a
Semi-Annual Cash Dividend**

DENVER, February 27, 2023 – TTEC Holdings, Inc. (NASDAQ: TTEC), one of the largest, global CX (customer experience) technology and services innovators for end-to-end digital CX solutions, announced that on February 23, 2023, its Board of Directors declared a cash dividend of \$0.52 per common share to be paid on April 20, 2023 to shareholders of record as of March 31, 2023.

ABOUT TTEC

TTEC Holdings, Inc. (NASDAQ: TTEC) is one of the largest, global CX (customer experience) technology and services innovators for end-to-end, digital CX solutions. The Company delivers leading CX technology and operational CX orchestration at scale through its proprietary cloud-based CXaaS (Customer Experience as a Service) platform. Serving iconic and disruptive brands, TTEC's outcome-based solutions span the entire enterprise, touch every virtual interaction channel, and improve each step of the customer journey. Leveraging next gen digital and cognitive technology, the Company's Digital business designs, builds, and operates omnichannel contact center technology, conversational messaging, CRM, automation (AI / ML and RPA), and analytics solutions. The Company's Engage business delivers digital customer engagement, customer acquisition & growth, content moderation, fraud prevention, and data annotation solutions. Founded in 1982, the Company's singular obsession with CX excellence has earned it leading client NPS scores across the globe. The company's nearly 69,400 employees operate on six continents and bring technology and humanity together to deliver happy customers and differentiated business results. To learn more visit us at <https://www.ttec.com>

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