

The logo consists of the letters 'LIQ' in a bold, black, sans-serif font. The 'L' and 'I' are connected at the top, and the 'Q' has a thick tail. Two curved lines, one purple and one teal, originate from the top of the 'L' and 'I' and curve downwards and to the right, meeting at a black dot. The purple line continues to curve upwards and to the right, while the teal line continues to curve downwards and to the right.

**LIQ**

**3Q18 RESULTS  
CONFERENCE CALL**

November/2018

# Scale and Leadership in Brazil

1st all-line (voice, face-to-face and digital) customer experience company

LIQ

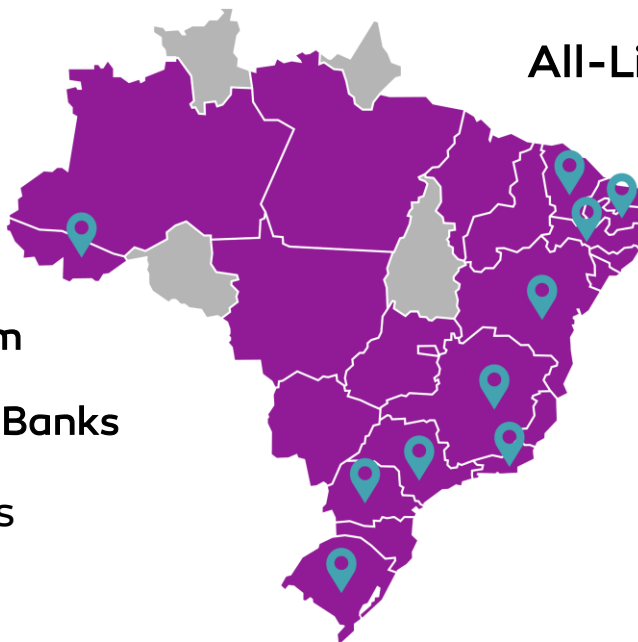
**R\$1.7bi**  
*revenue in 2017*

 4 of 4 largest Telecom

 2 of 3 largest Private Banks

~ 38,000 employees

+ 1,500 > 10 year at Liq



18 sites and presence in  
+ 700 cities with  
All-Line relationship services

+21,000 WS  
installed

+40 clients  
in Brazil

+2,700 sales  
promoters

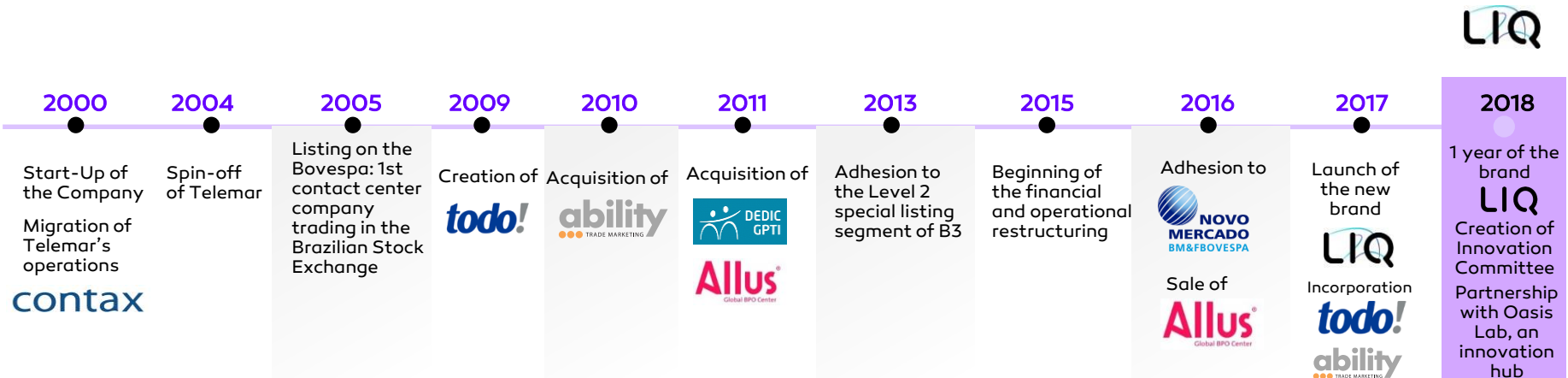
+1 billion interaction with  
client/year

# Strategic Repositioning

1<sup>st</sup> year of the new brand, reinforcing the Company's positioning

LIQ

- ✓ To provide integrated All-line (voice, face-to-face and digital) solutions
- ✓ To penetrate new middle market segments
- ✓ Use of new technology based on Big Data Analytics and Artificial Intelligence
- ✓ Focus on profitable growth



# THE SHOPPER CHANGED SO DID WE.

Social Media or voice service?

Start shopping on the phone and conclude with a chat?

Solution of doubts by bot or face-to-face?

No matter where they are  
**We will be there**

LIQ



# Present throughout the whole Shopper's and Company's journey LIQ

Through CRM, BPO, Trade & Marketing solutions, Liq brings brands and their consumers closer together, delivering high quality and efficiency to its clients

## Shopper journey: Present throughout the whole shopper's journey, improving the experience at all points of contact

	Features	Services	Channels	Value Added
CRM	Management of the shopper relationship in all channels, understanding and anticipating their needs	<ul style="list-style-type: none"> <li>SAC</li> <li>Customer care</li> <li>Retention</li> <li>Collection</li> <li>Saled</li> <li>Credit</li> <li>Social Media monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Voice</li> <li>Social Midia</li> <li>Virtual Agent</li> <li>APP</li> <li>E-mail</li> <li>Omni Channel</li> </ul>	<ul style="list-style-type: none"> <li>Automation</li> <li>Workflow</li> <li>Control &amp; Monitoring</li> <li>Analytics</li> <li>Mailing strategy</li> <li>Speech to Text</li> <li>Geomarketing</li> </ul>
TRADE & LIVE MARKETING	Development of integrated marketing solutions, transforming sales experience in business result	<ul style="list-style-type: none"> <li>Promotional Marketing</li> <li>Promotions at sales points</li> <li>Face-to-face sales</li> <li>Training</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face</li> <li>Retail</li> <li>Smart learning (distance learning)</li> <li>E-commerce (mobile)</li> </ul>	

## Business Process journey: Management of processes by remodeling routines and specialized teams

	Features	Services	Channels	Value Added
BPO	Management of the client's critical processes, so it can focus on its core business. Liq provides specialization, improvement in productivity and optimization of costs	<p><b>HR:</b></p> <ul style="list-style-type: none"> <li>Benefits</li> <li>FOPAG +T&amp;D</li> </ul> <p><b>Back-office:</b></p> <ul style="list-style-type: none"> <li>Logistics</li> <li>Documentation</li> <li>Insurance</li> </ul> <p><b>T.I:</b></p> <ul style="list-style-type: none"> <li>System integration</li> <li>Development</li> <li>Apps</li> <li>Helpdesk &amp; support</li> </ul>	<ul style="list-style-type: none"> <li>Digital</li> <li>E-mail</li> <li>Chat</li> <li>Face-to-face</li> <li>Voice</li> </ul>	<ul style="list-style-type: none"> <li>Cost Reduction</li> <li>Efficiency</li> <li>Technology</li> <li>Information Safety</li> </ul>

# More than 40 clients, of which 19 in the last 12 months

Client portfolio diversification, operating in the Telecom, Financial, Retail, Health and Services sectors

# LIQ

## BPO



## CRM



### LAST 12 MONTHS



## TRADE



# Revenue Generation to Clients

RRS and Trade & Live Marketing is becoming more relevant in the revenue mix



Service	Description	NOR Share %	Growth Potential	% on profitability
<b>RRS</b> Revenue Related Services	<ul style="list-style-type: none"> <li>Sales, Retention and Collection services</li> <li>Based on profitability, are services that generate revenue to clients. Follow the economic scenarios of the sectors</li> </ul>	38%		
<b>SAC H.I &amp; IVR</b> Human Interface & Interactive Voice Response	<ul style="list-style-type: none"> <li>Doubt, complaints, suggestions and other contacts</li> <li>Efficient outsourcing, does not generate revenue to clients</li> <li>Implementation of cross selling and up selling strategy</li> </ul>	34%		
<b>BPO</b>	<ul style="list-style-type: none"> <li>Back-office, HR, Technology, Credit/Fraud, Training, Auditing, and others.</li> <li>Services to leave the client focused on its core business. Follow the economic scenarios of the sectors</li> </ul>	13%		
<b>Trade &amp; Live Marketing</b>	<ul style="list-style-type: none"> <li>Integrated marketing solutions to transform the sales point experience into business result.</li> <li>Follow the economic scenarios of the sectors</li> </ul>	11%		
<b>OPERTEC</b>	<ul style="list-style-type: none"> <li>Technical support for products, to help consumers online or on field</li> <li>Qualified support for technical problems</li> </ul>	4%		

High potential/Profitability

Low potential/Profitability

# Positive Environment for 2019

Favorable decisions of Brazilian Federal Supreme Court (STF) reduce uncertainties for the sector

▪ Decision of the STF, in August, ruled the outsourcing activity as licit in Brazil ( Business activity and other activities)

- Higher legal safety in labor relations
- Reduction in the number of labor lawsuits
- Modernization and flexibilization of labor relations
- Improvement in hiring and reducing turnover

## LABOR REFORM

▪ In October, STF certified the contact center activity for the Telecom sector, and the Labor Superior Court confirmed STF's decision for the financial sector.

- Regulation of the Sector
- Increase legal certainty
- Access to new markets
- Better forecast and pricing in contracts

## NEW OUTSOURCING LAW

## MARKET

- Liqs's main services (Trade Marketing, CRM and BPO) are highly correlated to GDPB
- GDP growth expectation of 2.5%<sup>1</sup> in 2019
- According to IDC research Liq is the 2<sup>nd</sup> biggest Contact Center player with 15,5% of market share

## INNOVATION

Innovation with 3 main focus:

- Process Automation
- Data processing
- Digital Interface

<sup>1</sup> Source: Expectation System BACEN at 11/01/2018



# Restructuring Plan

# Turnaround Agenda

The restructuring initiated in 2Q18 saved R\$ 90 Million (annualized), and conquered 2 new clients

**1** **New Sales Guideline**

**Revenue Diversification:**  
Expansion of the client base with

- i. Portfolio All-Line
- ii. Use of new technologies
- iii. Expansion of clients

**Challenges:**

- Group clients needs
- Show the all-line services added value
- Middle market expansion
- Growth in non traditional sectors

+ 2 New Clients

**2** **Operating Efficiency**

**Better Margins:**  
Reduction of spent' initiatives

- i. Operating
- ii. Administrative
- iii. Structural

**Challenges:**

- Adequacy of the administrative organizational structure
- Reduce idleness with new volume
- Maintenance of high service level

Decrease in Spending = R\$ 90M year

**3** **Cash Flow Management**

**Cash Management:**  
Active management of flow

- i. Operating
- ii. Financial
- iii. Working Capital

**Challenges:**

- Renegotiation of contracts with suppliers
- Unleveraged expected with the conversion of debt into shares
- Improved payback from lawsuits

**4** **Contingencies Management**

**Better use of cash:**  
Reduction of lawsuits with agreements and initiatives

- i. Process surpasses agreement possibility
- ii. Agreement at execution stage (with discount)
- iii. Labor Reform and outsourcing law

**Challenges:**

- Interaction with plaintiff
- Quantity of massive labor process

Increased Return =

Operating Cash Generation

# Revenue Diversification

Client base expansion, economic sector diversification and omnichannel service

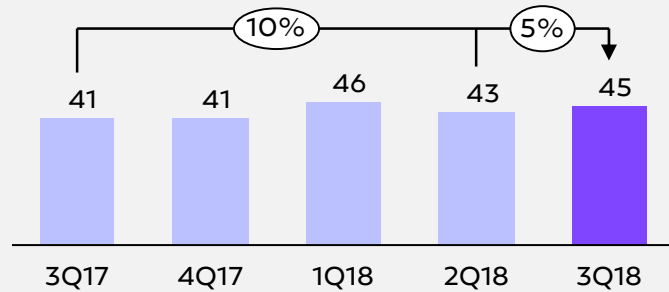
1

New Sales  
Guideline

LIQ

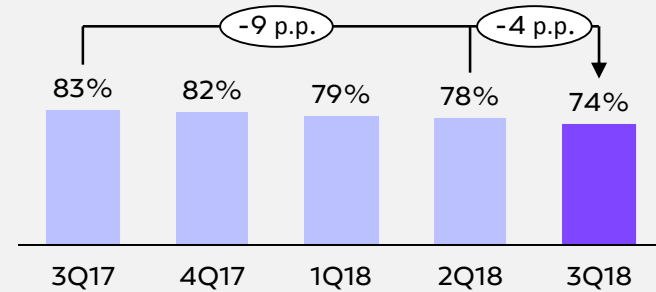
## Number of clients (Quantity)

Growth reflects client pooling...



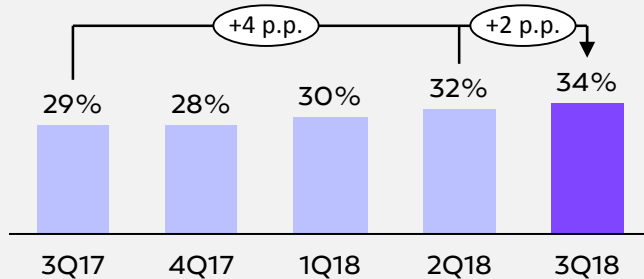
## Share of main clients<sup>1</sup> (% NOR)

...with the entrance of non traditional clients



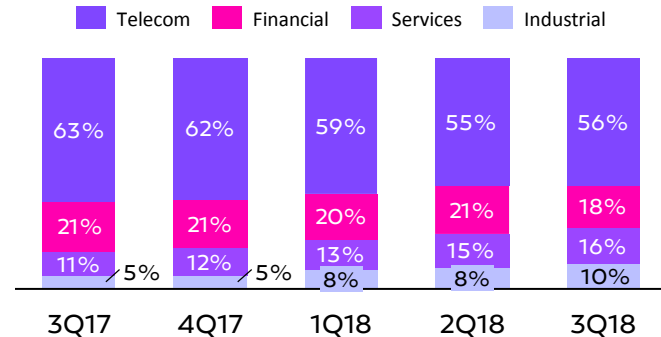
## Share of Non Voice Services (face to face, digital and AI) (%)

...through innovative tools



## Increase in clients segmentation (%)

...increase in the share of the Service and Industrial sectors

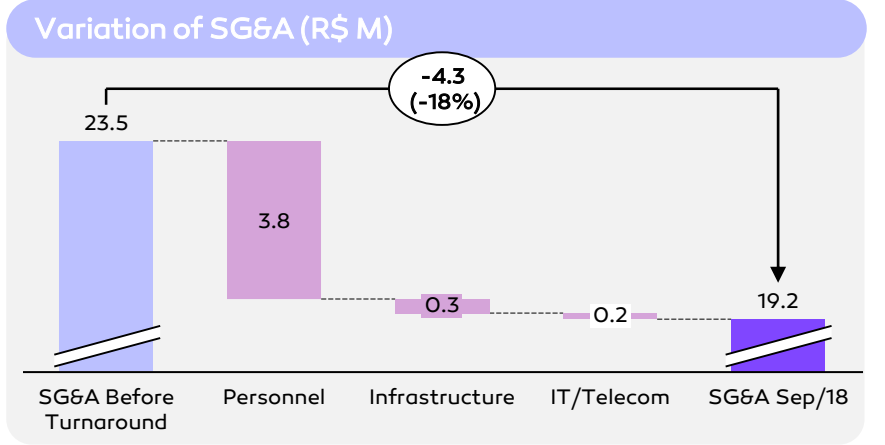
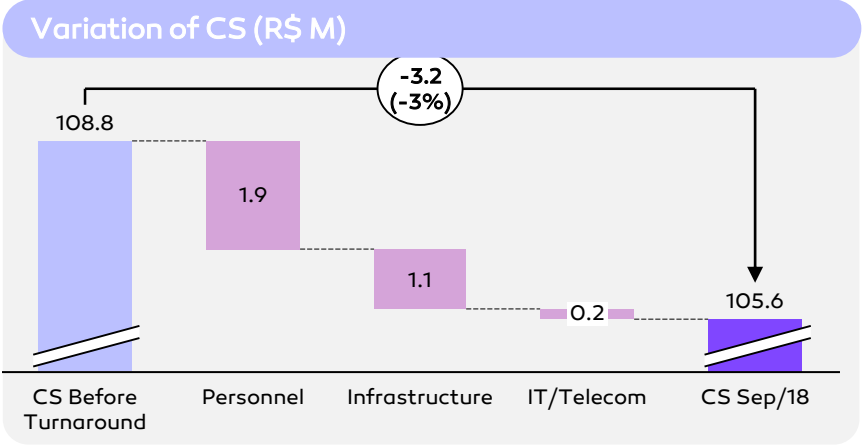
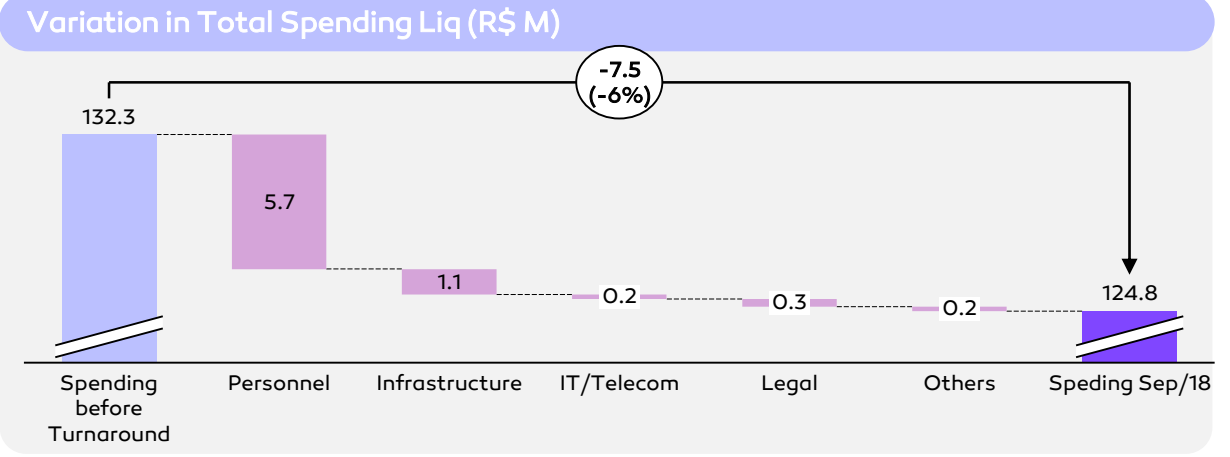


<sup>1</sup> Clients with more than 5% share in gross revenue

# Decrease in Spending

Non exhaustive initiatives resulted in R\$ 7.5M/month saving in Sep-18, and already generated savings of R\$ 90M, annualized.

- **Personnel:** Reduction of 528 HCs in the operation (-1%) and 326 HCs in *back office* (-16%)
- **Infrastructure:** Renegotiation of rent, cleaning and guard contracts. In addition to the campaign for the rational use of water and energy.
- **IT/Telecom:** Renegotiation of IT contracts.
- **Legal:** Renegotiation legal fee.



# Improved Operating Margins

Increase in productivity by reducing backoffice and administrative structure

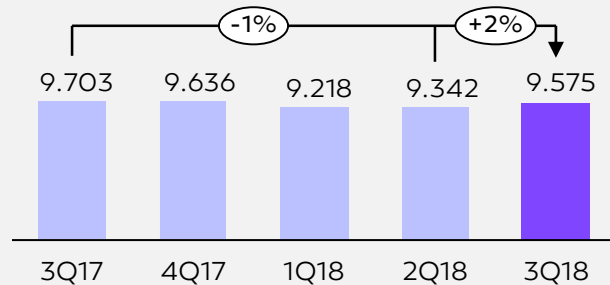
2

Operating Efficiency

LIQ

## NOR/Operating Headcount<sup>1</sup> (R\$)

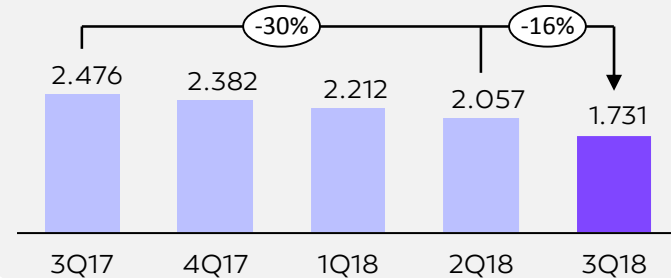
Increase in operational efficiency



<sup>1</sup>Not included employees on leave

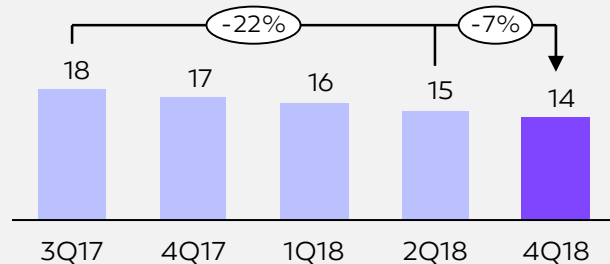
## Administrative Headcount (Quantity)

...with administrative structure compatible to the new scene



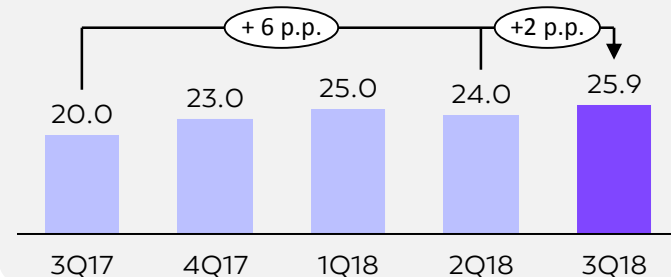
## Number of active sites (Quantity)

...generation of revenue less dependent of infrastructure



## Sites Idleness<sup>2</sup> (%)

...difference of timing between capacity adjustment and demobilization of sites

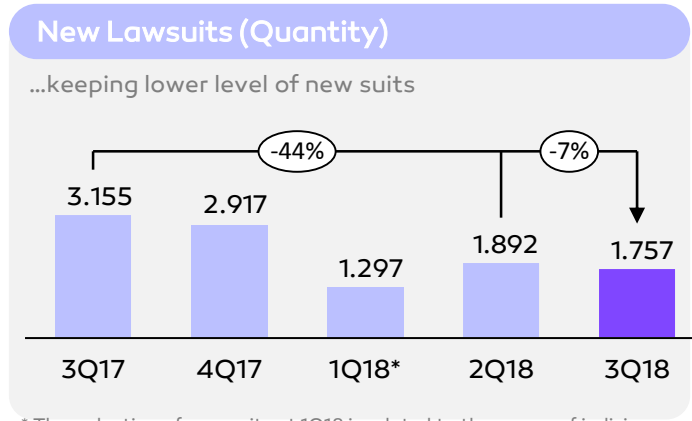
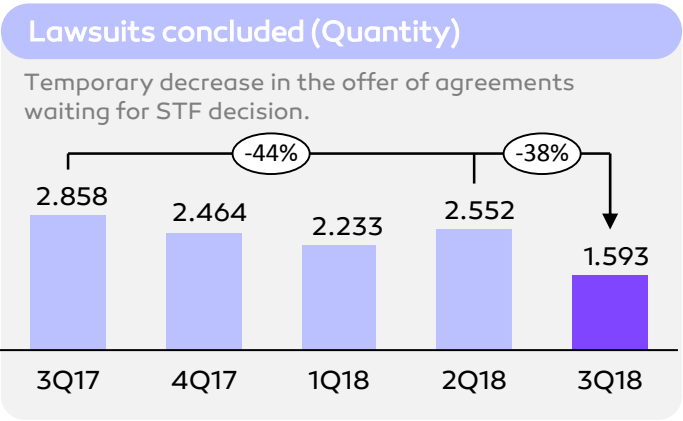


<sup>2</sup>Idleness: (WSs<sup>3</sup> planned)/(WS Installed)

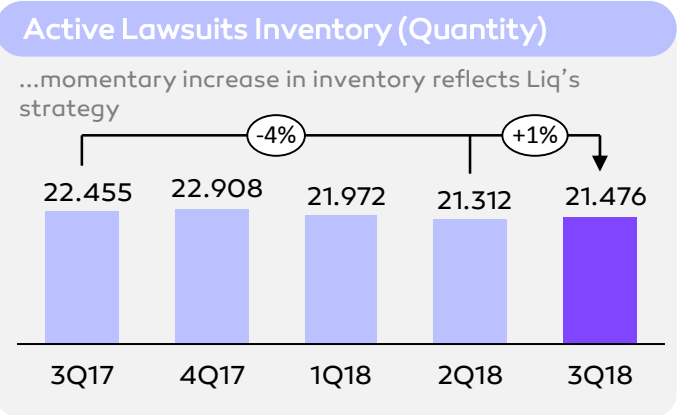
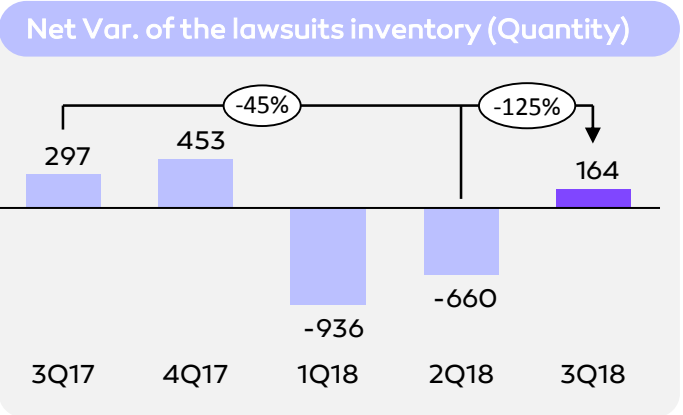
<sup>3</sup>WS: Workstation

# Labor Contingencies

Revaluation of agreements' strategy due to STF decisions on outsourcing



\* The reduction of new suits at 1Q18 is related to the recess of judiciary branch



# Quarterly Results 3Q18

# 3Q18 Highlights

Diversification of NOR and consistent costs and expenses decrease  
Market acknowledgment

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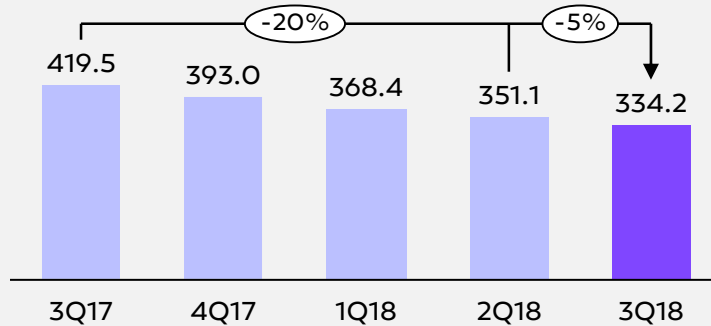
- ✓ 66% increase in NOR with **Omnichannel Trade & Live Marketing versus 9M17**
- ✓ Increase in the share of the Industrial (+5 p.p.) and Services (+5 p.p.) sectors in Net Revenue
- ✓ **Consistent drop in Costs and Expenses, down 19% between 9M18 and 9M17:**
  - **Reduction of 19%** in total operating headcount, resulting in a decline of R\$ 178 million, or 18%, in personnel costs;
  - **Drop of R\$ 10M** or 18% in rent costs, from the adjustment in contracts;
  - **Decrease of R\$ 14M** or 13% in SG&A expenses, due to adjustment in the administrative structure
- ✓ Liq was **acknowledged** by the market for its Innovation and Service Quality:
  - Conquer of the CONAREC 2018 award, with the case Reference in the Management of the Digital Client's Journey
  - Conquer of the "GPTW certificate" for Alphaville, João Pessoa and Fortaleza, in 2018.
  - Liq is among the best companies in Brazil according to the Valor 1000 2018 ranking
  - Ranked 19th from the 100+ innovative in Brazil in the use of I.T.



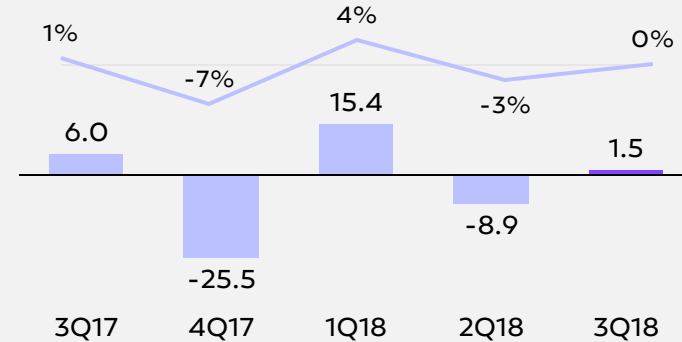
# 3Q18 Highlights (Accounting)

## Key Financial Figures

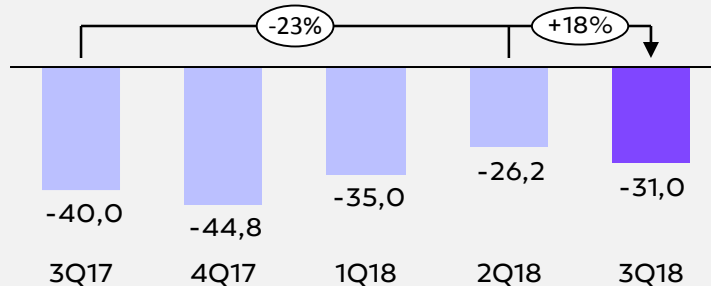
### Net Revenue (R\$ M)



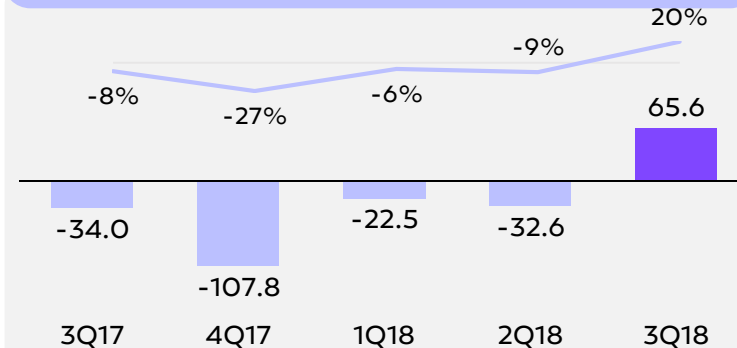
### Gross Income<sup>1</sup> (R\$ M) and Margin (% NOR)



### SG&A (R\$ M)<sup>1</sup>



### Adjusted EBITDA<sup>1</sup> (R\$ M) and Margin (% NOR)

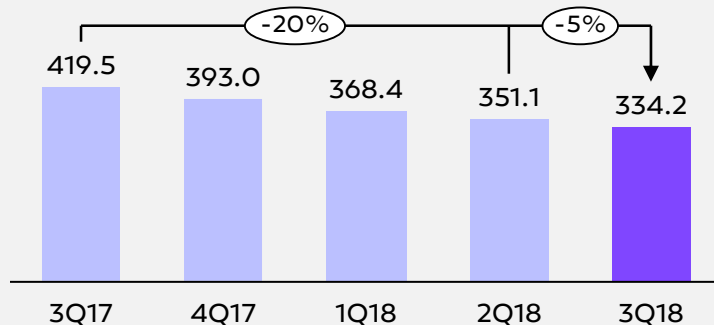


<sup>1</sup>Gross Income and SG&A excluding depreciation

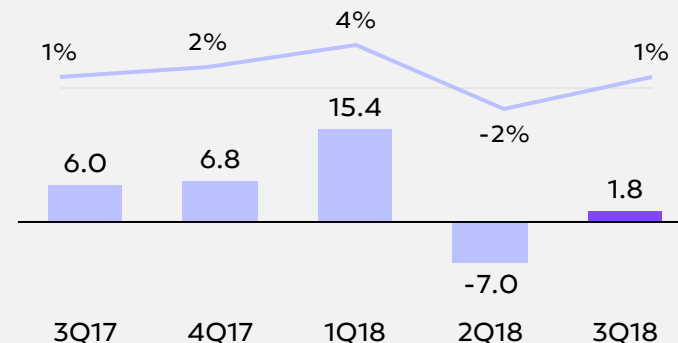
# 3Q18 Highlights (Adjusted)

Turnaround initiatives result in the best EBITDA of the last quarters, showing operational recovery

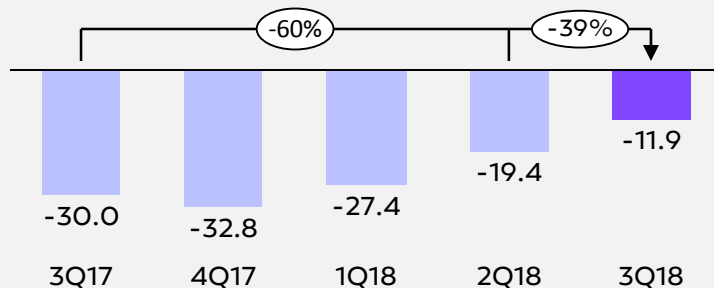
## Net Revenue (R\$ M)



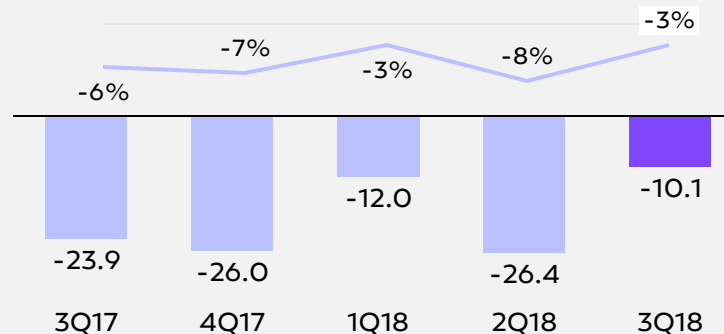
## Gross Income<sup>1</sup> (R\$ M) and Margin (% NOR)



## SG&A + Other Expenses<sup>1</sup> (R\$ M)



## Adjusted EBITDA<sup>1</sup> (R\$ M) and Margin (% NOR)



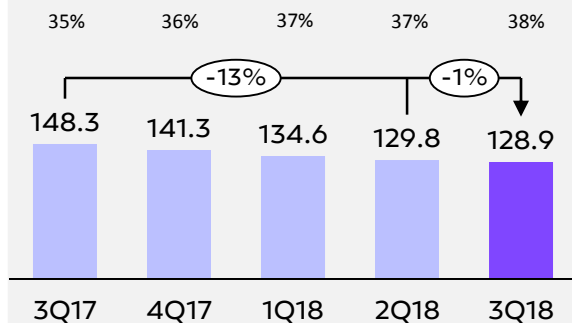
<sup>1</sup>Adjusted by non recurrent effects  
Gross Income and SG&A excluding depreciation

# NOR Breakdown by Services

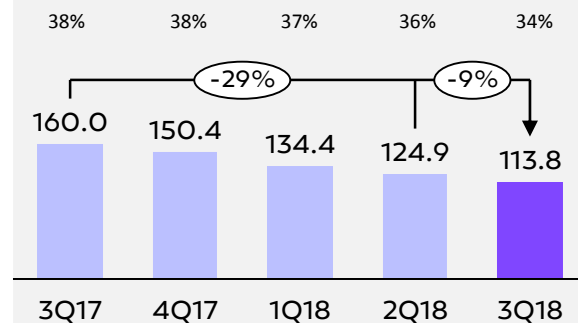
The higher share of RRS and Trade & Live Marketing services confirm Liq' strategy in services that generate revenue to its clients

- SAC IVR & H.I is no longer Liq's main service
- RRS services tend to grow as the Brazilian economy recovers
- Focus on Trade & Live Marketing already representative
- Focus on BPO sales front

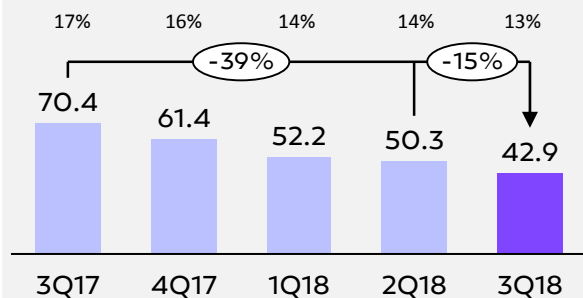
RRS – Revenue Related Services (R\$ M / %)



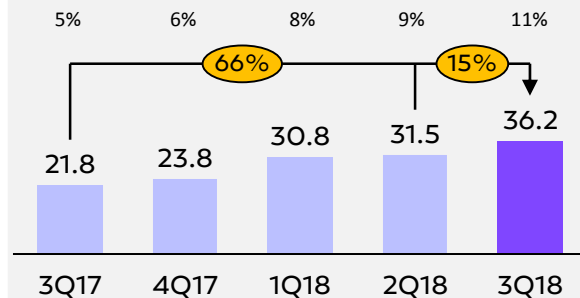
SAC IVR & H.I – Human Interface (R\$ M / %)



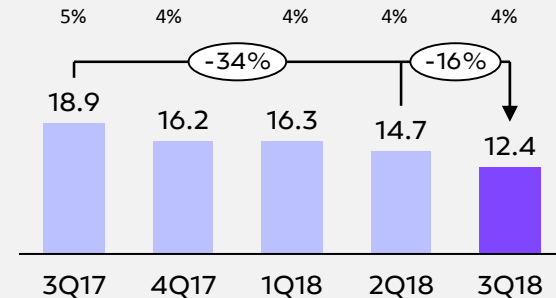
BPO – Business Process Outsourcing (R\$ M / %)



Trade Marketing (R\$ M / %)



OPERTEC – Tech Op. (R\$ M / %)



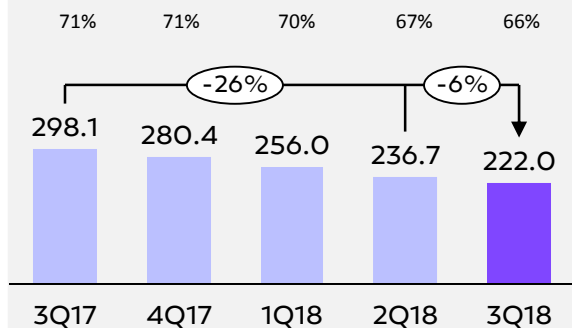
# NOR Breakdown by Channel

Growth of face-to-face and digital platform indicates the *digital* future of Liq

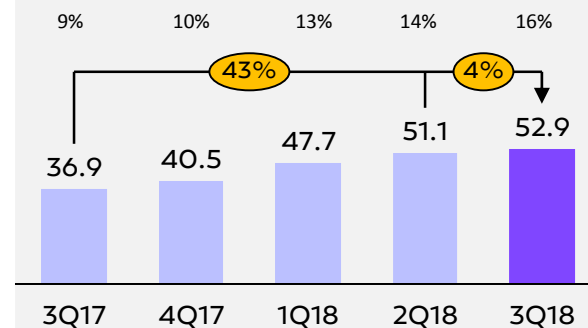
LIQ

- Liq represents 80% of the retail sales force of an important Brazilian Telecom, indicating solidity to search for new challenges.
- Is expected a warm up at the voice channel as the Brazilian economy recovers and cross & up-selling initiatives, despite the current decrease of representativeness.
- Digital channel should grow with the technological innovation focus

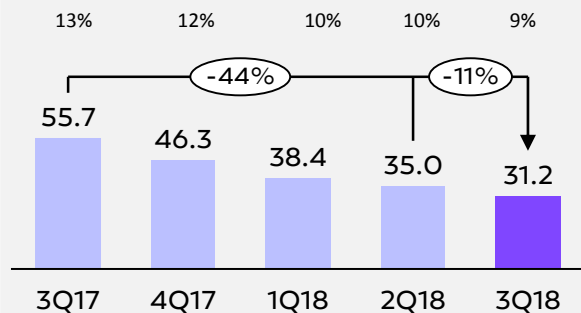
## Voice (R\$ M / %)



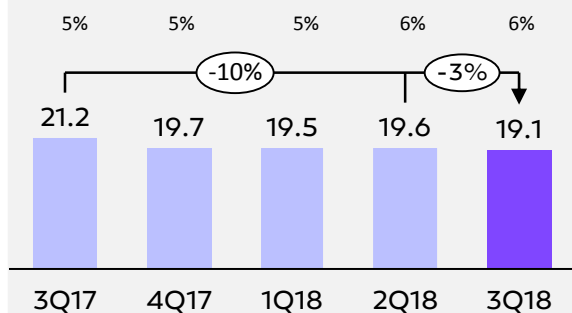
## Face-to-face (R\$ M / %)



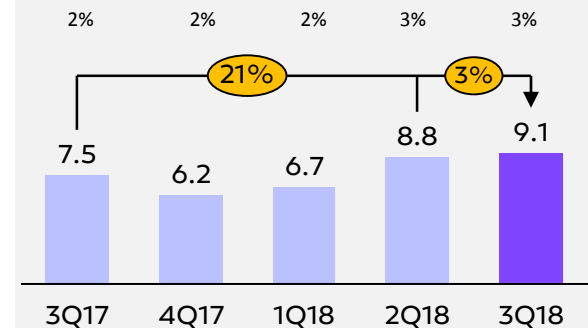
## Back office (R\$ M / %)



## Omnichannel (R\$ M / %)



## Digital (R\$ M / %)

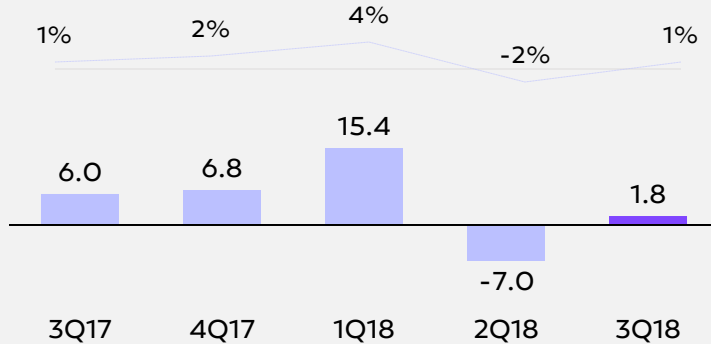


<sup>1</sup>Physical and Digital

# Gross Income

Recovered of Gross Income, resulted by the turnaround agenda aimed at operating improvement

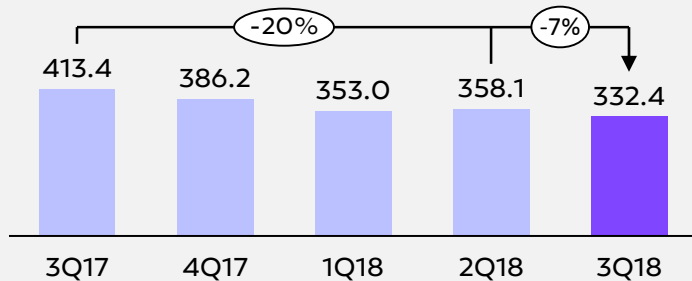
## Gross Income<sup>1</sup> (R\$ M / % NOR)



- The increase of Gross Income is a result of Liq's turnaround initiatives, as it recorded drops in all Cost of Services lines.
- Drop in 3Q18 Cost of Services from the adjustment in the operating headcount.

## Cost of Services<sup>1</sup> (R\$ M)

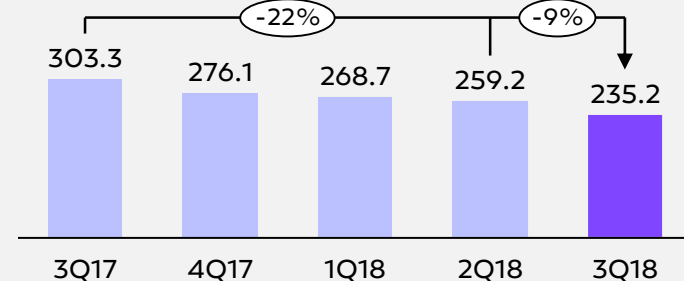
...strong decrease in direct costs



<sup>1</sup> Excluding no recurring events

## Personnel Costs<sup>2</sup> (R\$ M)

...due to the drop in personnel costs



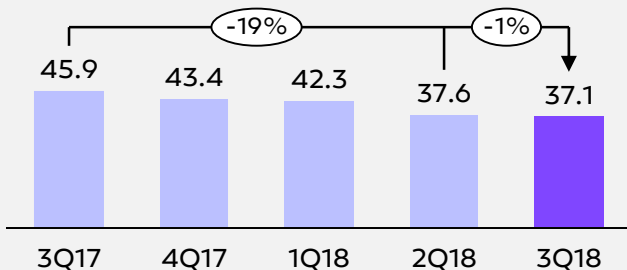
<sup>2</sup> Excluding lay-offs costs

# CS and SG&A

Administrative and operational structure adjustments already reflecting strong drops

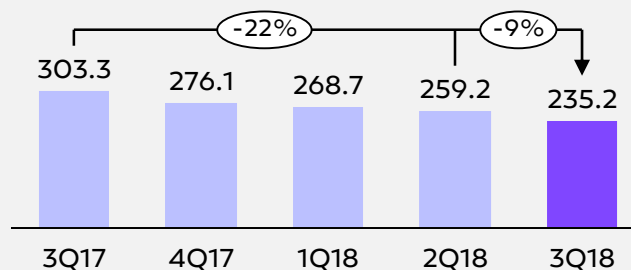
## Operational Headcount ('000)

Focus on operating efficiency...



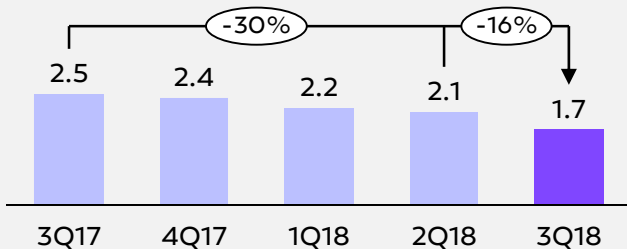
## Personnel Costs (R\$ M)

...already reflects an economy in personnel costs



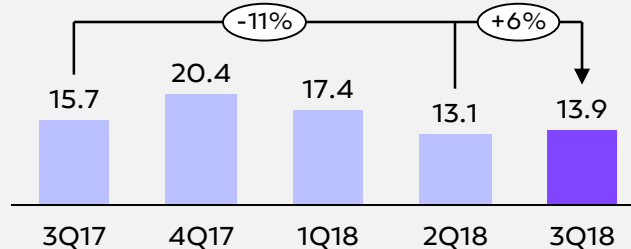
## Administrative Headcount (000)

...preliminary adjustment in the administrative structure



## Personnel Expenses<sup>1</sup> (R\$ M)

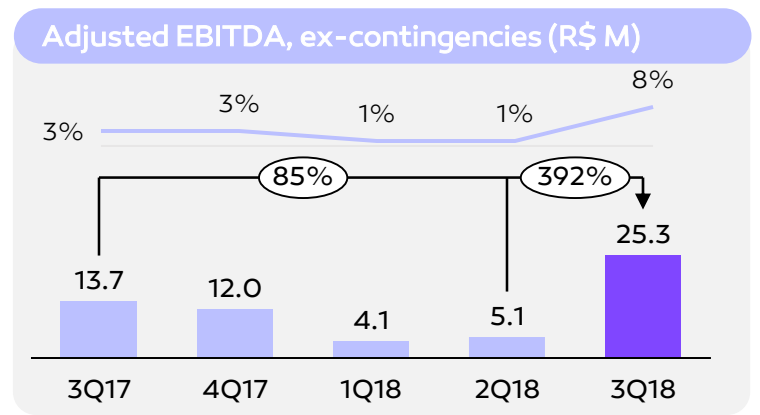
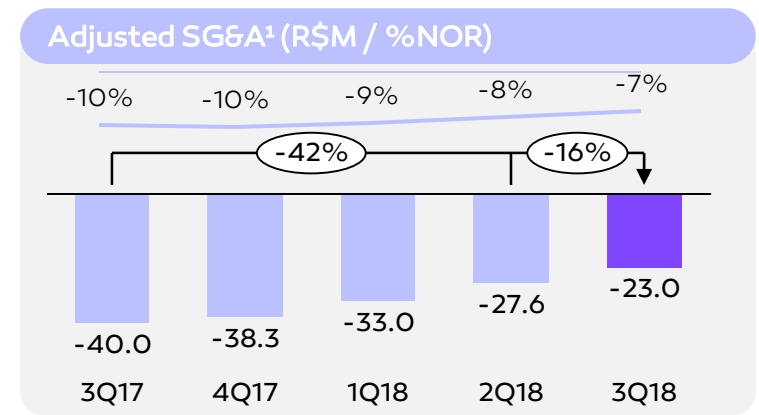
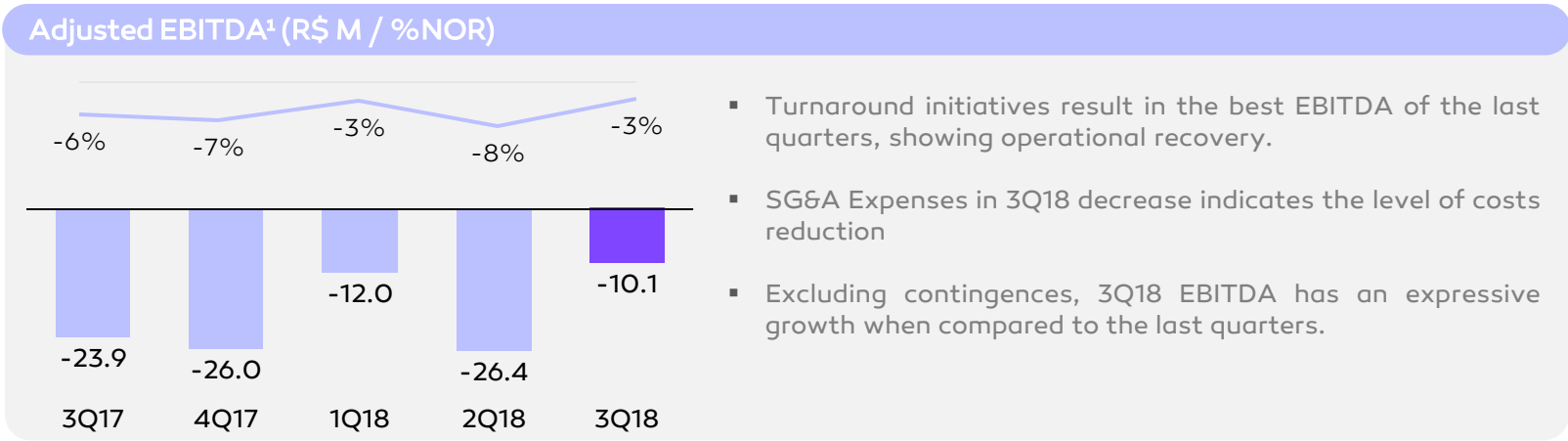
...supports personnel expenses reduction goal



<sup>1</sup>Adjusted by non recurring effects

# EBITDA

Expressive growth in EBITDA, excluding contingences

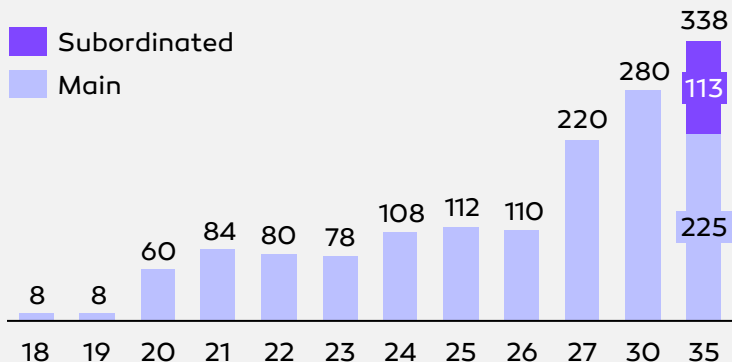


<sup>1</sup> Adjusted by non recurring effects

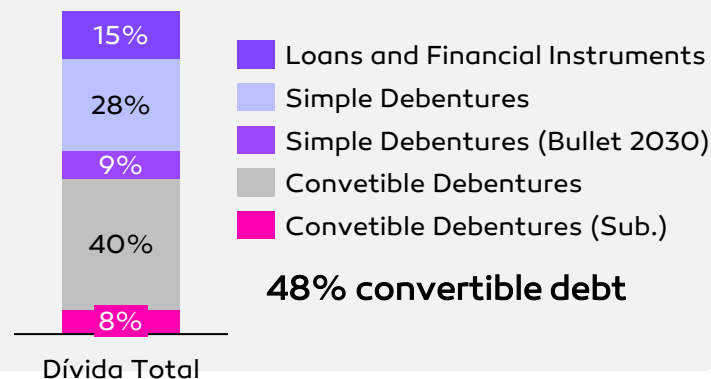
# Financial Debt Structure

Debt rollover with 48% convertible into shares gives space to current management promote the necessary adjustments for debt payment

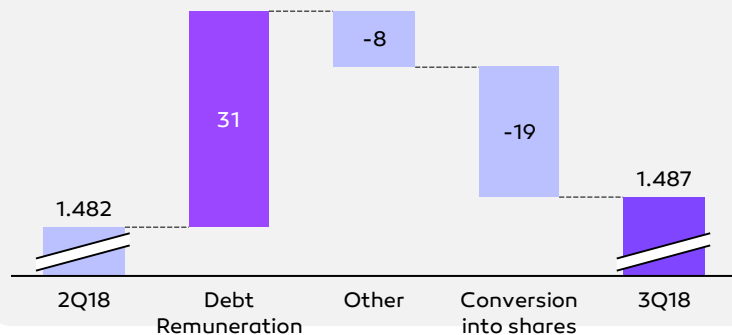
Debt Amortization Schedule (R\$ M)



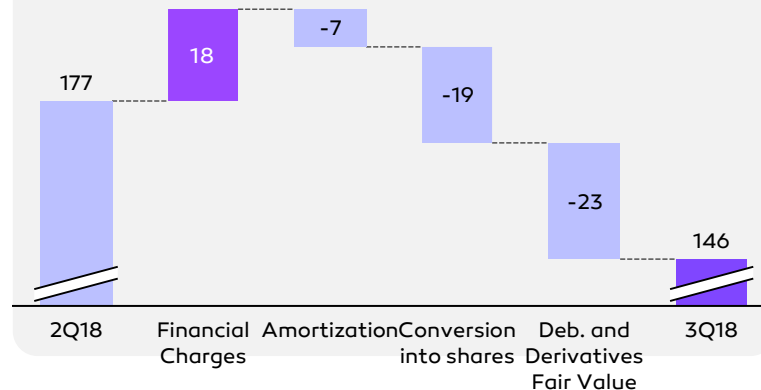
Reprofiled Debt Breakdown (%)



Contractual Debt Breakdown (R\$ M)



Debt Breakdown – Fair Value (R\$ M)





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