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ibex Q2 FY2022 Earnings Call

February 16, 2022



Disclaimer

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation, other than statements of historical facts, are forward-looking statements. The words “believe,” “estimate,” “expect,” “may,” “will” and similar expressions are intended to identify forward-looking statements. Such forward-looking statements include, but are not limited to, the statements regarding the impact of the COVID-19 pandemic and associated global economic uncertainty on our business strategy, our plans and objectives for future operations, our addressable market, potential technological disruptions, and client demand for our services. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated by these forward-looking statements, including, but not limited to: our business, results of operations and financial condition may be negatively impacted by the COVID-19 pandemic and the precautions taken in response to the pandemic or if general economic conditions in the global economy worsen; our ability to manage our rapid growth or achieve anticipated growth; our ability to retain existing clients and attract new clients, including our ability to increase revenue from existing clients and diversify our revenue concentration; our ability to attract and retain employees at cost-effective rates; our ability to penetrate new industry verticals and geographies and grow our revenue in current industry verticals and geographies; our ability to maintain favorable pricing and utilization rates; the effects of increased competition as well as innovations by new and existing competitors in our market; our ability to adapt to technological change and innovate solutions for our clients; our ability to collect on billed and unbilled receivables from clients; our ability to effectively manage our international operations, including our exposure to foreign currency exchange rate fluctuations; our ability to remediate the identified material weaknesses and maintain an effective system of disclosure controls and internal control over financial reporting, as well as other risks and uncertainties discussed in the “Risk Factors” section of our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) on October 14, 2021.

Except as required by law, we assume no duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements contained in this presentation.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

This presentation includes non-GAAP financial measures which have certain limitations and should not be considered in isolation, or as alternatives to or substitutes for, financial measures determined in accordance with IFRS. The non-GAAP measures as defined by us may not be comparable to similar non-GAAP measures presented by other companies. Our presentation of such measures, which may include adjustments to exclude unusual, non-cash, or non-recurring items, should not be construed as an inference that our future results will be unaffected by these items. See the IFRS to Non-GAAP Reconciliation section for a reconciliation of these non-GAAP financial measures to the most directly comparable IFRS financial measures.

We are not providing a quantitative reconciliation of forward-looking non-GAAP adjusted EBITDA to the most directly comparable IFRS measure because we are unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items include, but are not limited to, non-recurring expenses, fair value adjustments, share-based compensation expense, and impairment of assets. These items are uncertain, depend on various factors, and could have a material impact on IFRS reported results for the guidance period.

For additional information about ibex's business, refer to our Annual Report on Form 20-F filed with the SEC on October 14, 2021 and other documents filed with the SEC from time to time, and relevant earnings press releases (including GAAP, Non-GAAP and other reconciliation financial tables included therein). The documents that we filed with the SEC can be obtained for free by visiting EDGAR on the SEC website at www.sec.gov.

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Bob Dechant

CEO





Compelling Vision

- Mission-critical, omnichannel customer service experiences
- Clients seeking to maximize customer lifetime value & brand experience
- Land & expand strategy with additional customer value propositions, services & new geographies over time.
- New clients average 2.5-4.5x revenue over year 2 & year 3



Large TAM & Competitive Moats

- \$100B TAM supported by growing CX outsourcing tailwinds
- Deeper integrations leading to stickier & mission critical customer relationships
- Clear & Compelling ROI for Clients
- Exceptional Operational Performance
- WaveX purpose-built technology driving differentiation



Track-Record & Transformation

- New client base now represents 70% of revenues
- 57% year-over-year growth in Q2'22 & 78% (E) 6-year CAGR
- Large global client base with exceptional customer & geographic diversification
- 100% Client Retention for 5 Consecutive Years (Top 25 clients)



Strong Financials

- Return to double-digit growth
- Record margins while regions are currently at 50% usable capacity due to social distancing
- Existing footprint offer incremental revenue potential of \$200 million p.a. in a pre-Pandemic operating environment
- Cash Balance Exceeds Total Borrowings
- Growth vectors are high margin drivers



Capital Allocation

- Less Than 2 Year Payback on Growth CAPEX
- \$20 Million Share Repurchase Authorization
- Flexible, pragmatic, and opportunistic capital allocation mindset

Significant Progress on Strategic Priorities since our IPO



Strong LTM Results

\$458.5m

Revenue (LTM)

\$61.8m

Adj EBITDA (LTM)

7.1%

Q2 Y-Y Revenue Growth

13.5%

Adj. EBITDA Margin

10-12%

Full Year Guidance

\$69-71m

Full Year Adj EBITDA
Guidance

Company Facts

34

Delivery Centers

8

Geographies

33%

Work at Home

35K

Employees

Q2 FY2022 Results

\$132.2m

Record Revenue:

12.8%

YoY Q2 Revenue Growth

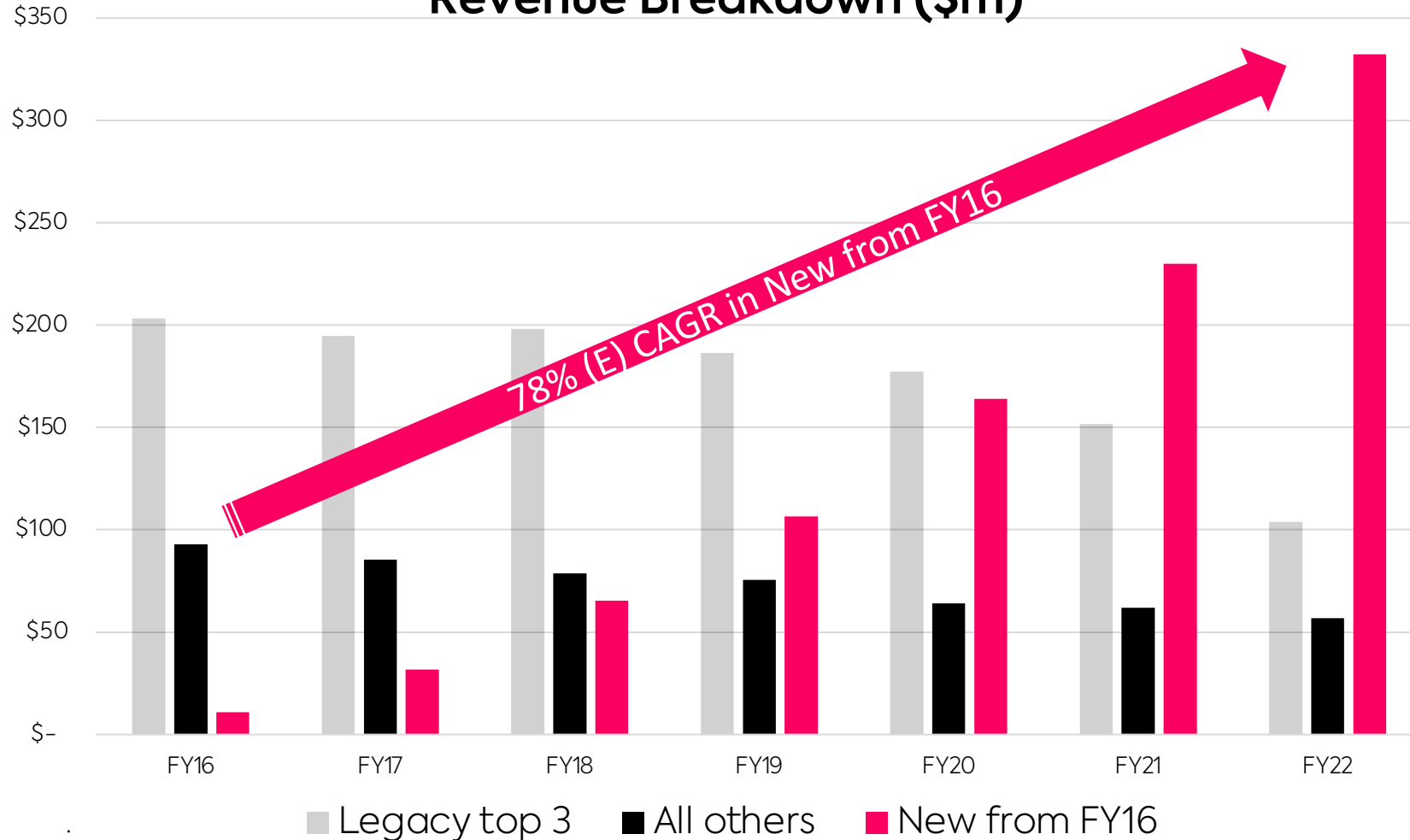
\$17.8m

Adj. EBITDA

100%

Client Retention

Revenue Breakdown (\$m)



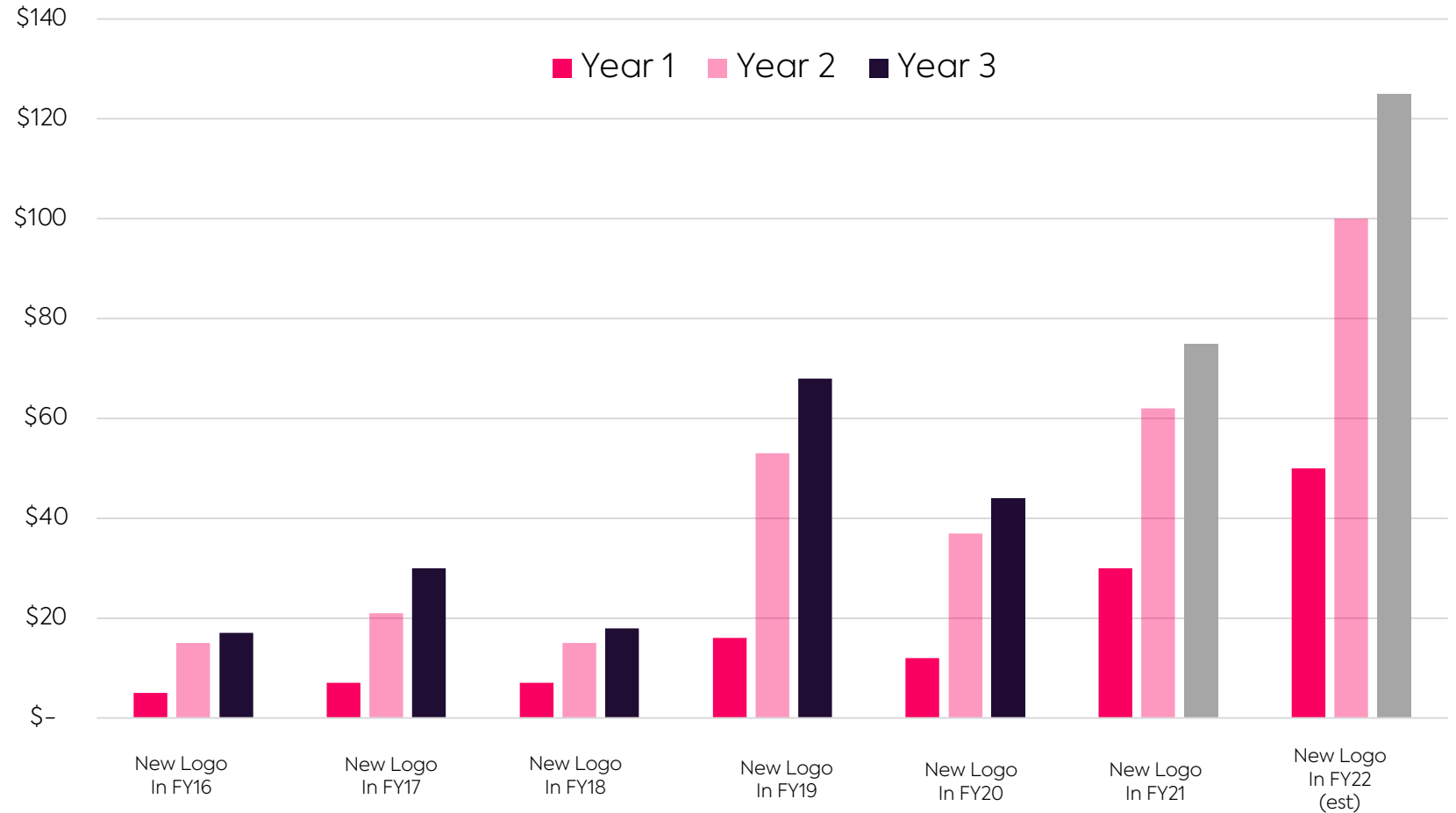
New clients won since FY16

- 70% of Total Revenues
- 57% growth in Q2'22
- Digitally Focused Brands
- 70 New Clients
- Integrated Omni-Channel
- Wave X Deployments

Client Cohort Performance:

- 2.5x – 3.5x Growth in Year 2
- 25% Average Increase in Year 3
- New Logo in FY22 Estimated at \$50m in Year Revenue
 - +66% YoY
 - Projected to be >\$100m in FY23
 - 12 New Clients in 1H

New Client Cohort Data (\$m) FY16-FY22














Note: Year 3 for FY20, Year 2 for FY21 and Year 1 for FY22 are estimates based on current forecast
 Year 3 for FY21 and Years 2 & 3 For FY22 are based on historical increases in Year 2 & 3

Diverse Base of Elite Clients by Revenue

~50 Clients
with > \$1m in Annual Revenue

FinTech and HealthTech:
\$100m Est FY22

| | | | |
|---|---|--|--|
| <p>#1</p>  <p>Cloud Based Restaurant Tech</p> | <p>#1</p> <p>\$</p> <p>Millennial Trading App</p> | <p>#1</p>  <p>Food Delivery</p> | <p>#1</p>  <p>Global Company</p> |
| <p>#1</p>  <p>Consumer Electronics</p> | <p>#1</p>  <p>Extended Warranty</p> | <p>#1</p>  <p>Shipping & Logistics</p> | <p>#1</p>  <p>Crypto Exchange</p> |
| <p>#1</p>  <p>Web Services</p> | <p>#2</p>  <p>Ride Sharing Services</p> | <p>#1</p>  <p>Streaming Media & Content</p> | <p>#1 & #2</p>  <p>Warehouse Clubs</p> |

Q2'22 Client Statistics (% of Revenue)

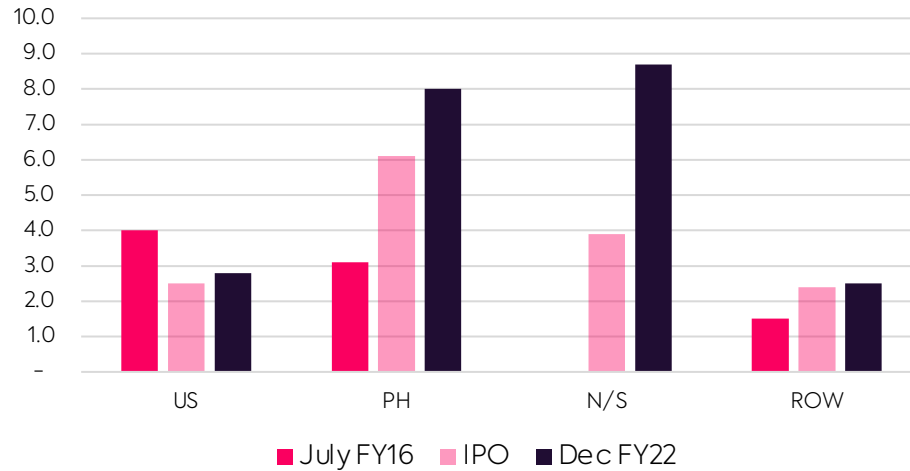


100% Client Retention since 2018⁽¹⁾

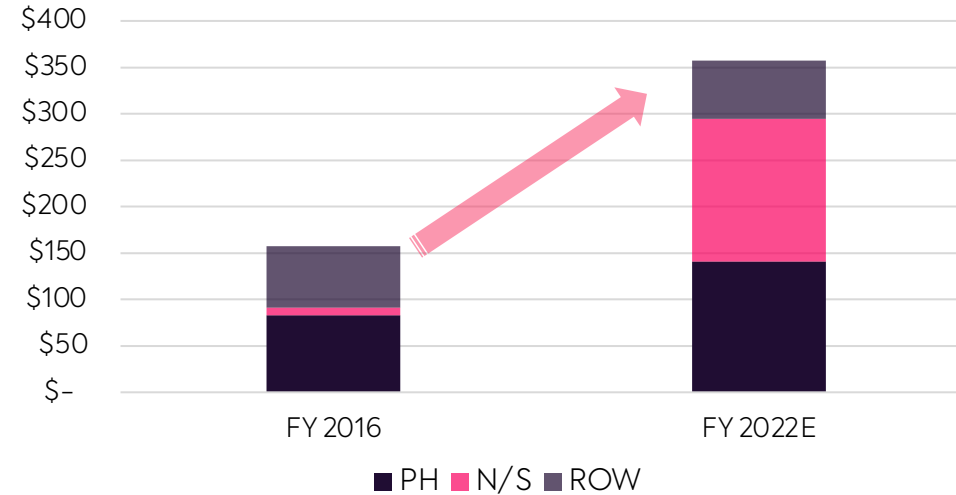
(1) Client retention is measured for materials clients that represent 95% of our revenues

Growth Across High Margin Geographies

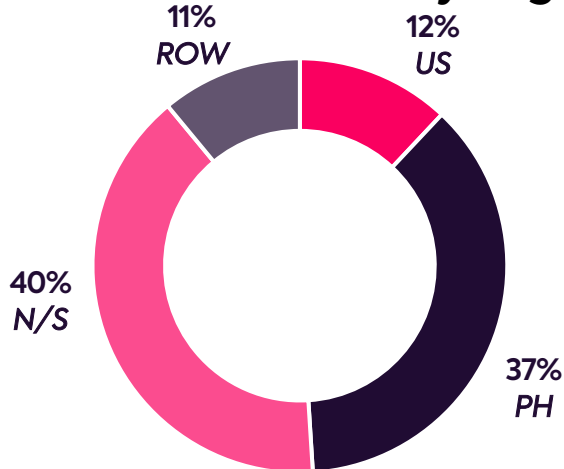
Seat by Geography (July FY16 thru Dec FY22
(in thousands)



Revenue contribution by geography (\$m)

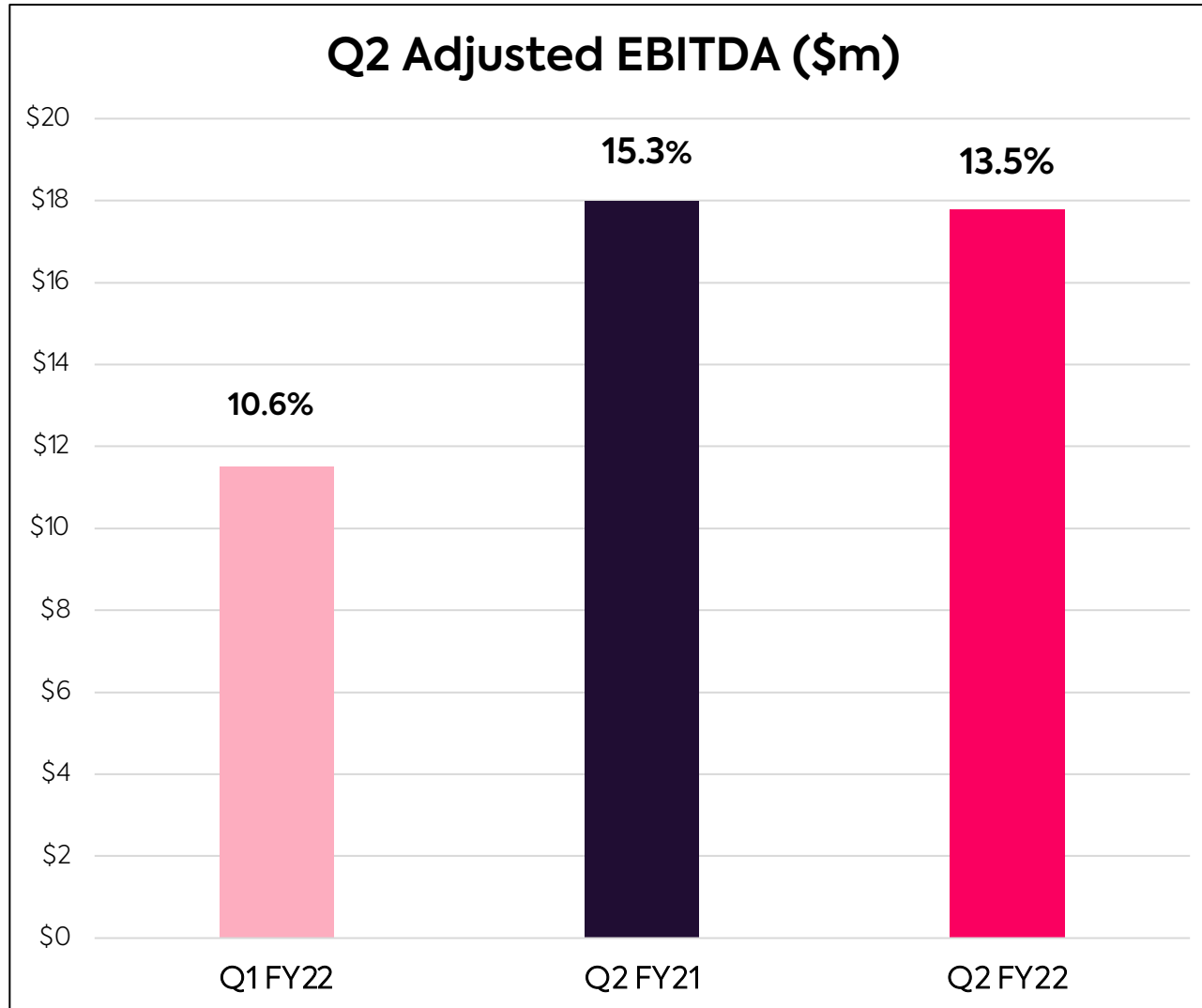


Seat Distribution by Region



- 2,500 Seats Added in FY22 Q2
- 6,500 Seats Launched in Philippines and Nearshore (N/S) Since IPO
- 88% of Seats are in High Margin Regions
 - 21% 6 year CAGR
- US Revenue for FY22 estimated at \$136m from \$149m in FY16

Adjusted EBITDA Margins Comparisons



- EBITDA approximately flat from Q2 FY21
- Adjusted EBITDA margin decreased by 180 bps driven by ramp costs
 - Higher agent training costs required to meet client demand
 - Site costs and overhead
- Expect margin to increase in 2H FY22

Focused on Delivering Shareholder Value

TRGI, our majority shareholder, approved the transfer of a portion of its Ibex shares to some of its shareholders.

*This has reduced TRGI's direct stake in Ibex from **62% to 35%***

Investor Base is Broadening for ibex as a Public Company

\$20m Share Repurchase Program Authorized
\$1.3m to date

**Site Expansion
<2-Year
Payback Period**

**Internal
Reinvestment
Opportunities**

**\$20m Share
Repurchase
Authorization**

**Opportunistic
M&A**

Flexible, pragmatic, and opportunistic capital allocation mindset

Supported by Net Cash on Balance Sheet

Typhoon Odette ripped through the Island of Bohol causing significant damage to the residents' homes

We raised over \$100,000 USD from Ibex individuals which the company matched for a total of \$200,000 USD to be used for:

- Essential Needs
- Rebuilding
- Community Outreach

Our business and our agents stayed resilient and operational as we moved primarily to Work in Center



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Cares

RISE UP BOHOL!

Share the gift of giving and caring this season of love!

All proceeds will go to support our Bohol employees this Holiday Season. Your kindness, generosity, and thoughtfulness are greatly appreciated!





34% of Our Directors and Above Are Women
50% of Our Board of Directors Are Women or A Minority



47% of Our Global Workforce Are from A Minority Group
50% of Our Global Workforce Are Women



Women of **ibex.**

Women of ibex Global

Initiative where women and men from around the globe celebrate our women through career development, mentorship opportunities, book reviews and interactive networking sessions with the goal of Inspiring, Interacting and Informing.



Scan or click to view to the site



Named Best Place to Work for Women in Central America and the Caribbean 2021



Siren Beauty Pageant to celebrate our LGBTQIA+ employees and give them an opportunity to shine!



GLOBAL MENTORSHIP INITIATIVE

GMI/ibex (Global Mentorship Initiative)

ibex recently launched our first group of mentors in partnership with GMI. These leaders will be matched with college graduates from underserved areas all over the world.



Global Diversity & Inclusion celebrations and initiatives every May.



Rainbow Project Movement

Celebrations, festivities, festivals, master classes designed to support LGBTQIA+ community

- Member of the Philippine Financial Inter-Industry Pride Organization

Summary & Guidance

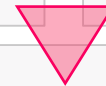
70%
of our business is
growing at a *high
double-digit rate*

20%
of our Business has
stabilized

2H revenue growth and
EBITDA Margin will
accelerate from
12.8% and 13.5%

New Guidance
10-12%
Organic Revenue Growth

Prior Guidance
7-9%
Organic Revenue Growth



\$69-71m of Adjusted EBITDA
\$30-35m of Capex

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Financial Results

Karl Gabel
CFO



Revenue
 \$132.2m
 +12.8% YoY

Record revenue
 21.7% sequential growth

New From FY16 Clients' Revenue
 +57% YoY

Represents 70% of the total revenue (50% in Q2 FY21)

Legacy Top 3 Clients' Revenue
 \$26.3m or 19.9% of Total Revenue
 (38%) YoY

Revenue base has stabilized and will decrease as a % of revenue over time as our new clients since FY16 continue to grow

Net Income
 \$8.5m
 +240% YoY

Driven by \$6.3m decrease in the fair value measurement related to the warrant liability
 Partially offset by an increase of \$1.7m in depreciation as we invest in growth of the business
 High single digit expected normalized annual effective tax rate, excluding the effect of fair value measurement of warrants

Adjusted Net Income \$5.2m

Q2 FY21 \$6.1m
(16%) YoY

Adjusted Fully Diluted Earning per Share

\$0.27 per share
Q2 FY21 \$0.33 per share
(18%) YoY

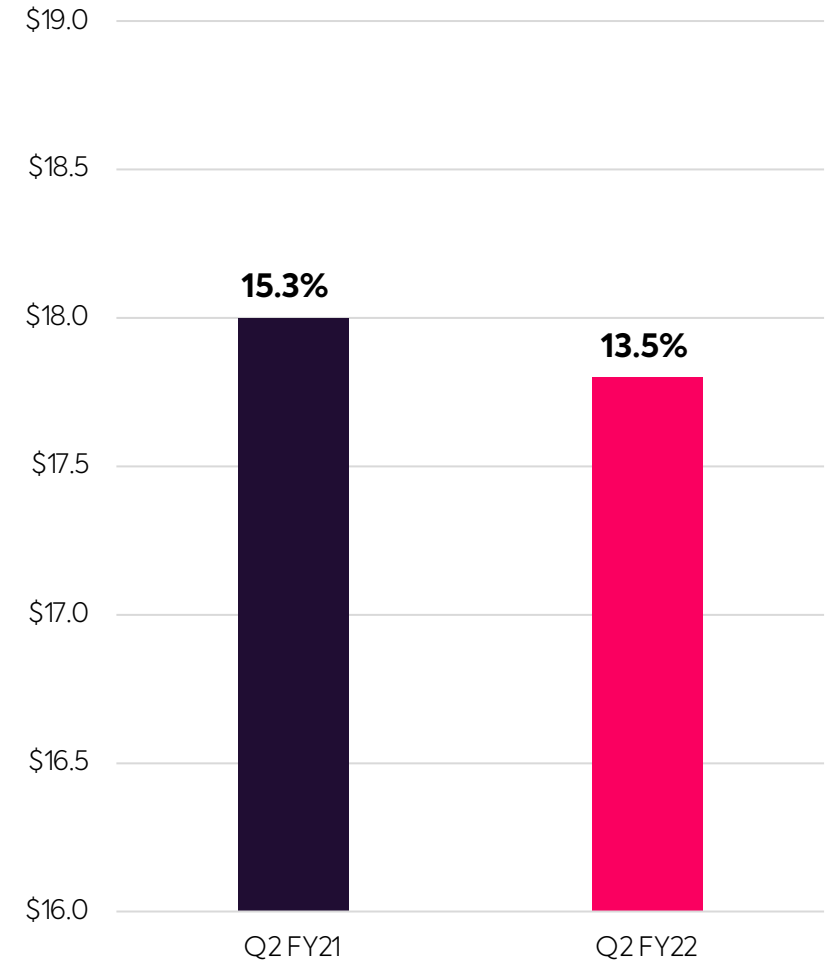
Adjusted EBITDA

\$17.8m or 13.5%
(Q2 FY21 \$18.0 or 15.3%)
(Q1 FY22 \$11.5 or 10.6%)

Decrease primarily driven by an increase in depreciation as we continue to invest in the growth of the business

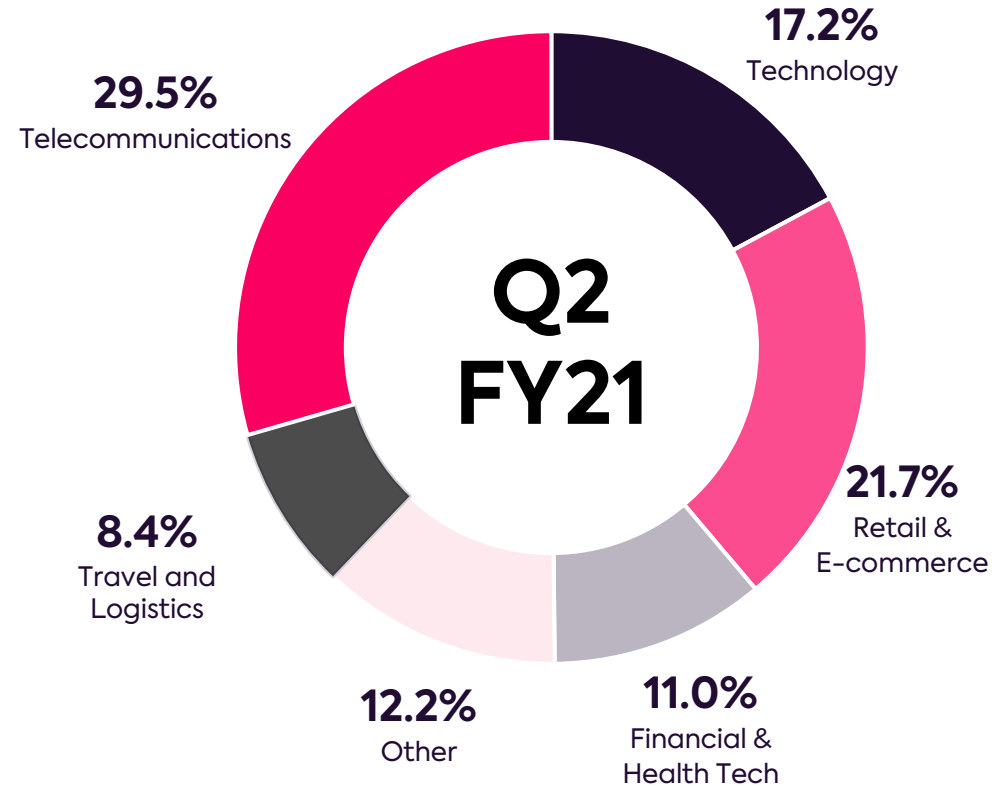
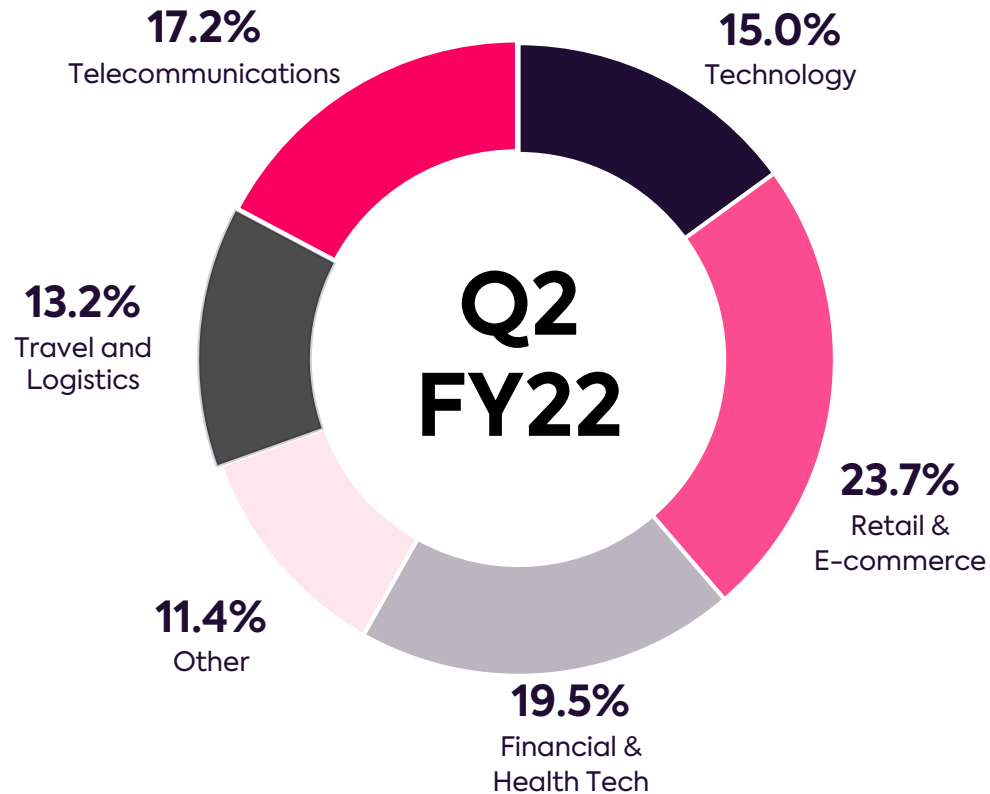
Decrease driven by higher agent training costs, site costs, and overhead required to meet client demand

Q2 Adjusted EBITDA



Winning in Strategic Verticals

Significant Growth in All Key Verticals
Telco Concentration under 20%



| | |
|---|---|
| <p>Capital Expenditures \$11.8m, 8.9% of Revenue (Q2 FY21 \$6.4m, 5.4% of Revenue)</p> | <p>Added >2,500 new seats primarily in our high margin nearshore and offshore locations during the quarter</p> |
| <p>Net Cash Generated from Operations \$3.4m Q2 FY21 \$4.3m (21%) YoY</p> | <p>Impacted by higher working capital usage offset by lower cash taxes</p> |
| <p>DSO 62 Days Q2 FY21 48 days Q1 FY22 63 days</p> | <p>The increase YoY was driven by revenue growth, timing of collections and one of our larger clients reverting to standard payment terms in the fourth quarter of fiscal year 2021</p> |
| <p>Non-GAAP Free Cash Flow (\$8.4m) Q2 FY21 (\$2.1m)</p> | <p>Driven by CAPEX of \$11.8m compared to \$6.4m in the prior year quarter</p> |

Cash and Cash Equivalents

\$51.5m

(June 30, 2021 \$57.8m)

Balance Sheet remains strong

Borrowing and Lease Liabilities

\$127.1m

(June 30, 2021 \$112.5m)

Borrowings \$37.7m (\$28.5m as of June 30, 2021)

Lease liabilities \$89.4m (\$84.0m as of June 30, 2021)



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Q & A



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Appendix



Reconciliation of Net Income/(Loss) to Adjusted Net Income

| | Three months ended | | Six months ended | | |
|--|--------------------|-----------------|-------------------|------------------|---|
| | December 31 | | December 31 | | |
| <i>US\$ in thousands, except share and per share amounts</i> | 2021 | 2020 | 2021 | 2020 | |
| Net income/ (loss) | \$ 8,465 | \$ 2,488 | \$ 11,479 | \$ (935) | |
| A Non-recurring expenses | 850 | 1,593 | 1,712 | 5,991 | A For all periods, primarily represents the COVID-19 transportation related expenses |
| B Amortization of warrant asset | 237 | 243 | (57) | 448 | B For all periods, represents the amortization of Amazon warrant asset based on the revenue |
| Foreign currency translation (gain) / loss | 16 | 55 | (6) | 203 | |
| C Fair value measurement of share warrants | (4,187) | 2,159 | (6,987) | 5,745 | C For all periods, recorded a revaluation associated with the Amazon warrants |
| D Share-based payments | 144 | 617 | 504 | 2,706 | |
| E Gain on lease terminations | (5) | - | (7) | (192) | D For all periods, represents share-based payments expenses including RSA, LTIP, and phantom plans |
| Total adjustments | \$ (2,945) | \$ 4,667 | \$ (4,841) | \$ 14,901 | |
| Tax impact of adjustments | (346) | (1,016) | (595) | (2,376) | |
| Adjusted net income | \$ 5,174 | \$ 6,139 | \$ 6,043 | \$ 11,590 | E For all periods, represents the gain on termination of facility leases |

Reconciliation of Net Income / (Loss) to Adjusted EBITDA

| <i>US\$ in thousands</i> | Three months ended | | Six months ended | |
|--|--------------------|------------------|------------------|------------------|
| | December 31 | | December 31 | |
| | 2021 | 2020 | 2021 | 2020 |
| Net income / (loss) | \$ 8,465 | \$ 2,488 | \$ 11,479 | \$ (935) |
| Finance expenses | 2,310 | 2,374 | 4,420 | 4,613 |
| Income tax expense | 1,340 | 1,472 | 1,933 | 1,743 |
| Depreciation and amortization | 8,669 | 6,983 | 16,312 | 13,422 |
| EBITDA | \$ 20,784 | \$ 13,317 | \$ 34,144 | \$ 18,843 |
| A Non-recurring expenses | 850 | 1,593 | 1,712 | 5,991 |
| B Amortization of warrant asset | 237 | 243 | (57) | 448 |
| Foreign currency translation (gain) / loss | 16 | 55 | (6) | 203 |
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| D Share-based payments | 144 | 617 | 504 | 2,706 |
| E Gain on lease terminations | (5) | - | (7) | (192) |
| Adjusted EBITDA | \$ 17,839 | \$ 17,984 | \$ 29,303 | \$ 33,744 |

- A** For all periods, primarily represents the COVID-19 transportation related expenses
- B** For all periods, represents the amortization of Amazon warrant asset based on the revenue
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