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ibex Q3 FY2022 Earnings Call

May 18, 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



Strong LTM Results

\$478.7m

Revenue (LTM)

\$63.9m

Adj EBITDA (LTM)

9.9%

Revenue Growth (LTM)

13.4%

Adj. EBITDA Margin (LTM)

10-12%

Full Year Guidance

\$69-71m

Full Year Adj EBITDA Guidance

Company Facts

35

Delivery Centers

8

Geographies

31%

Work at Home

31K

Employees

Q3 FY2022 Results

\$129.1m

Record Revenue:

~19%

YoY Q3 Revenue Growth

\$18.8m

Adj. EBITDA

7

New Logos – 19 YTD

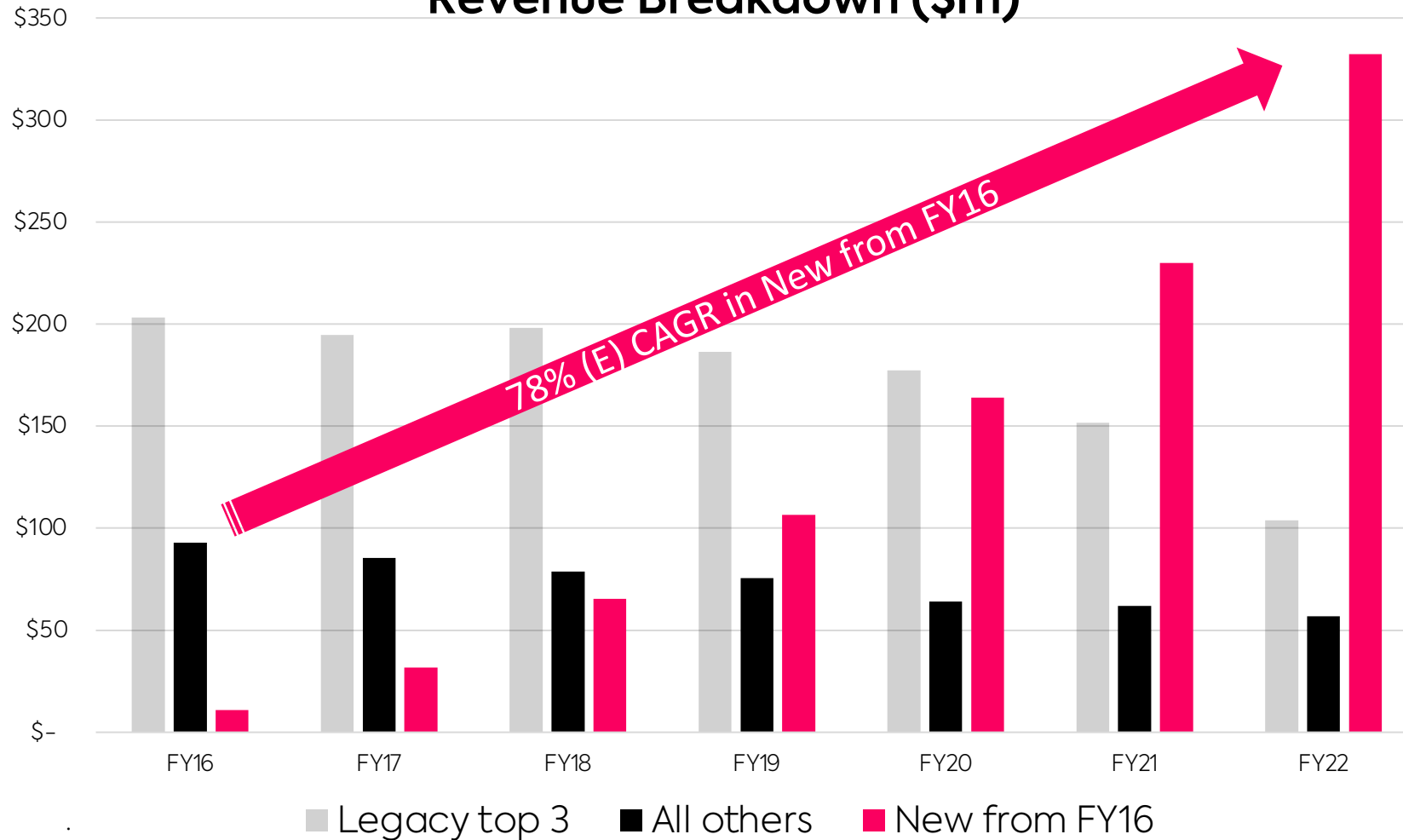
60%+ ⁽¹⁾

Integrated Omni Channel

(1) Represents % of New Logo's in Q3 that are either 100% Non-Voice or Omni-Channel

Powerful Growth with our BPO 2.0 Clients (New Clients since FY16)

Revenue Breakdown (\$m)



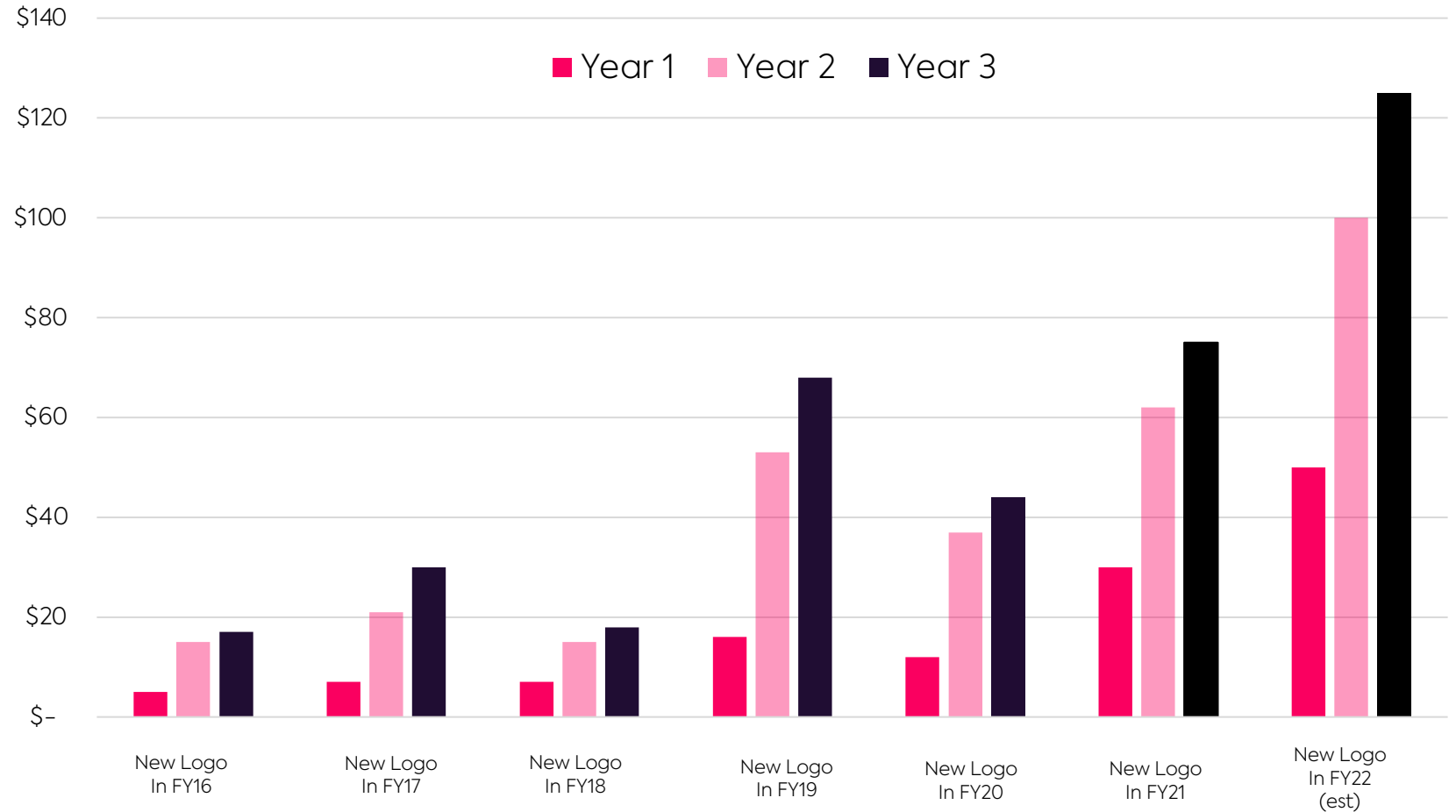
New clients won since FY16

- 60% growth in Q3'22
- 70% of Total Revenues
- Digitally Focused Brands
- Integrated Omni-Channel Support
- Wave X and Business Analytics

Client Cohort Performance:

- **7 New Logo Wins in the Quarter**
- **19 New Logo Wins Year to Date**
- **2 Significant wins in Healthcare**
- **FinTech and HealthTech 100% Growth & 25% of Total Revenues**
- **Continued important Digital First Wins**
- **New Logo ~\$50m in FY22**
 - *Projected to be >\$100m in FY23*
- **Rapid Land & Expand**
 - *2.5x – 3.5x Growth in Year 2*

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

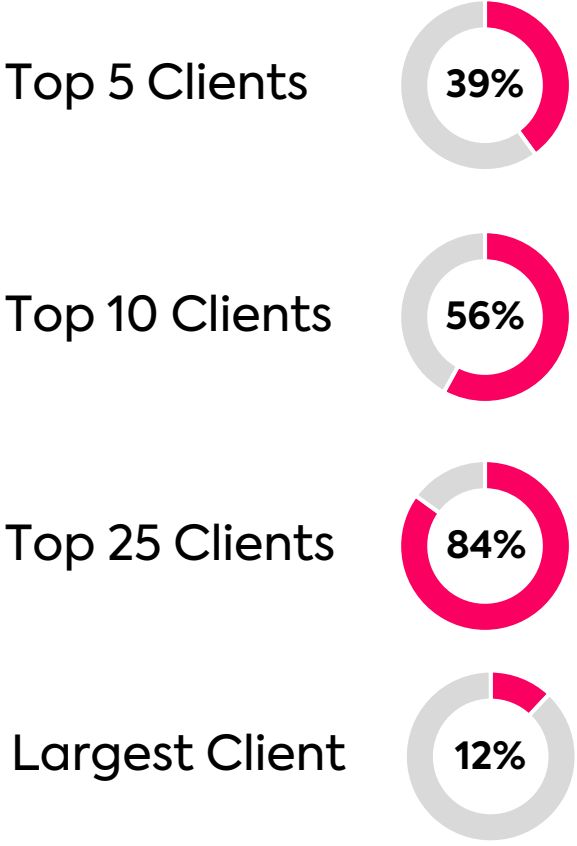
Diverse Base of Elite Clients by Revenue

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

FinTech and HealthTech: \$100m Est FY22
(+100%) YoY

<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>

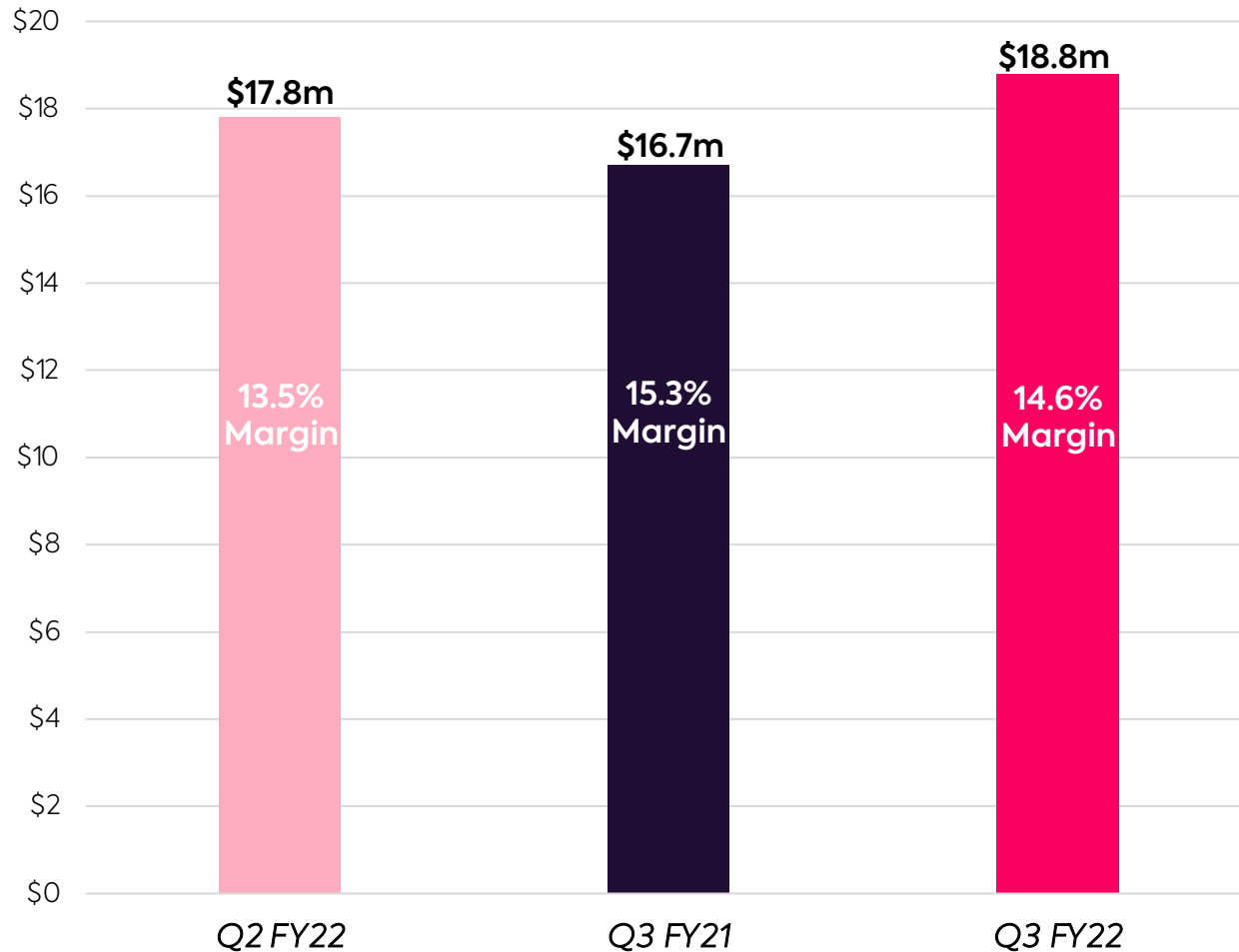
Q3'22 Client Statistics (% of Revenue)



Legacy 3 Clients Down to 19% from 34%

Adjusted EBITDA Margins Comparisons & FCF

Q3 Adjusted EBITDA (\$m)



- Partnering with clients on Price Increase and COLA to offset Wage Inflation pressures
- Adjusted EBITDA Margin increase to 14.6% from 13.5% in Q2 FY22 and \$2.1m higher from Q3 FY21
- Adjusted EBITDA margin decreased by 70 bps from Q3 FY21 driven by ramp costs
 - \$2m in Higher agent training costs required for 19% Growth
- EBITDA Margin >16% normalizing training costs to prior year
- Margin Improvement Opportunities as a result of removing Social Distancing
- FCF of ~\$10m, excluding Working Capital
 - 67% Increase Y/Y

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

**Internal
Reinvestment
Opportunities**

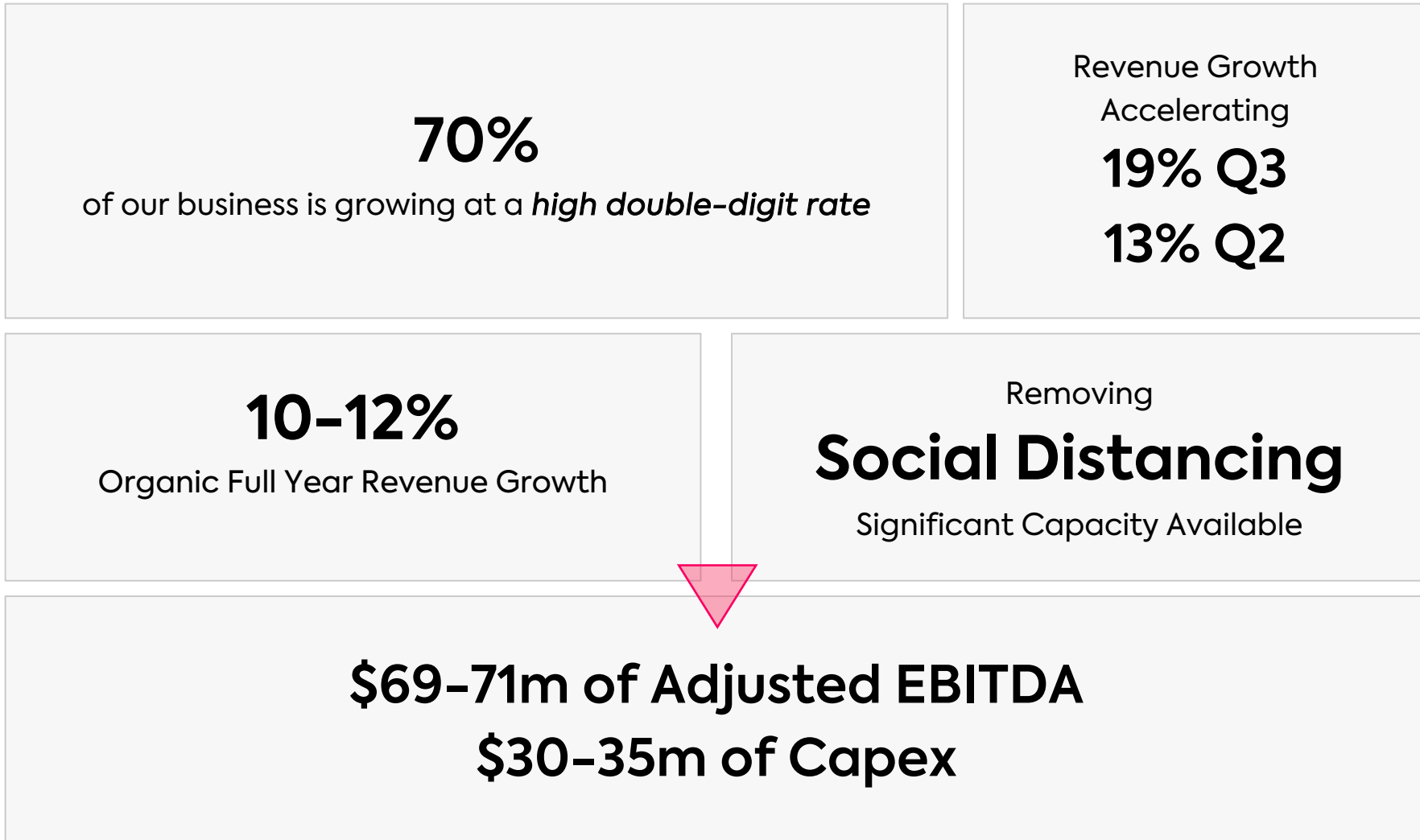
**\$20m Share
Repurchase
Authorization**

**Opportunistic
M&A**

Flexible, pragmatic, and opportunistic capital allocation mindset

Supported by Net Cash on Balance Sheet

Summary & Guidance



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Financial Results

Karl Gabel
CFO



Revenue

\$129.1m
+18.6% YoY

Driven by Fintech, HealthTech, and Retail and Ecommerce verticals

New From FY16 Client Revenue

+60% YoY

Represents 70% of the total revenue (52% in Q3 FY21)

Legacy Top 3 Client Revenue

\$24.9m or 19.3% of Total Revenue
Decline 33% YoY

Trajectory to continue into FY23 as a result of organic demand decline and a strategic decision that allowed us to replace our lowest margin business within this client group with a new higher margin healthtech industry client

Net Income

\$6.6m
(\$-0.2m Q3 FY21)

Driven by stronger operating results, which included a decrease in non-recurring costs, and a deferred tax benefit recognized in the current quarter.

High single digit expected normalized annual effective tax rate, excluding the effect of fair value measurement of warrants and a one-time deferred tax benefit

Adjusted Net Income

\$10.7m

Q3 FY21 \$6.0m

+77% YoY

Adjusted Fully Diluted Earning per Share

Q3 FY22 \$0.57 per share

Q3 FY21 \$0.32 per share

+79% YoY

Adjusted EBITDA

\$18.8m or 14.6% Margin

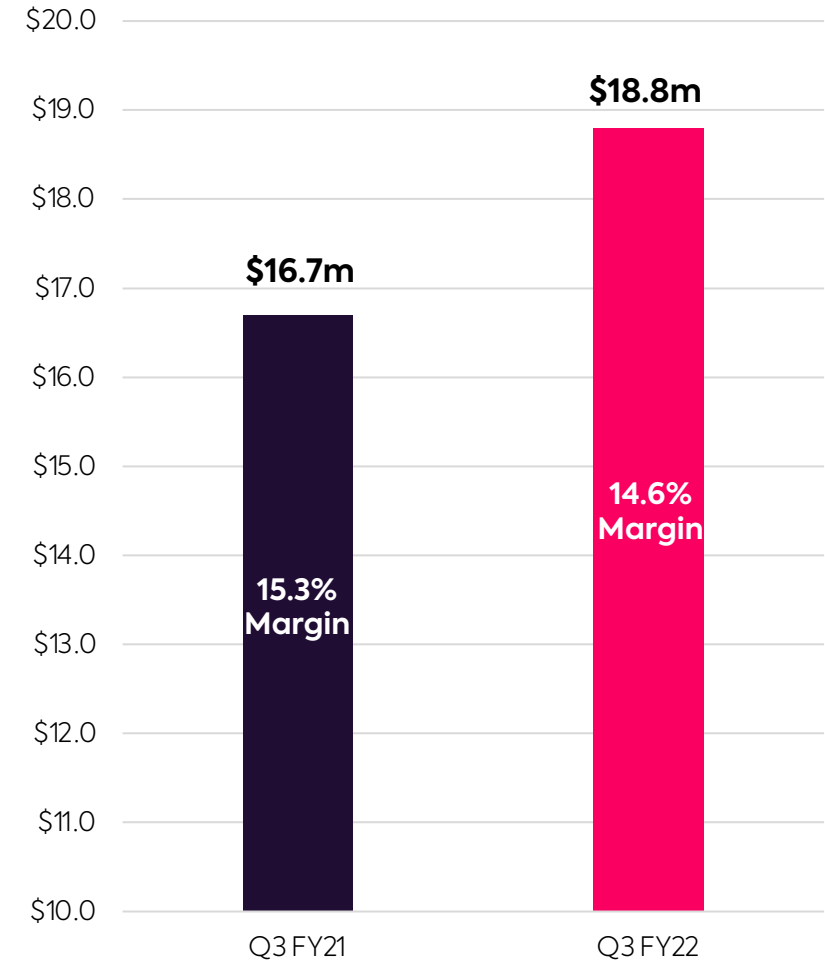
(Q3 FY21 \$16.7 or 15.3%)

(Q2 FY22 \$17.8 or 13.5%)

Increase primarily driven by stronger operating results and a deferred tax benefit recognized in the current quarter

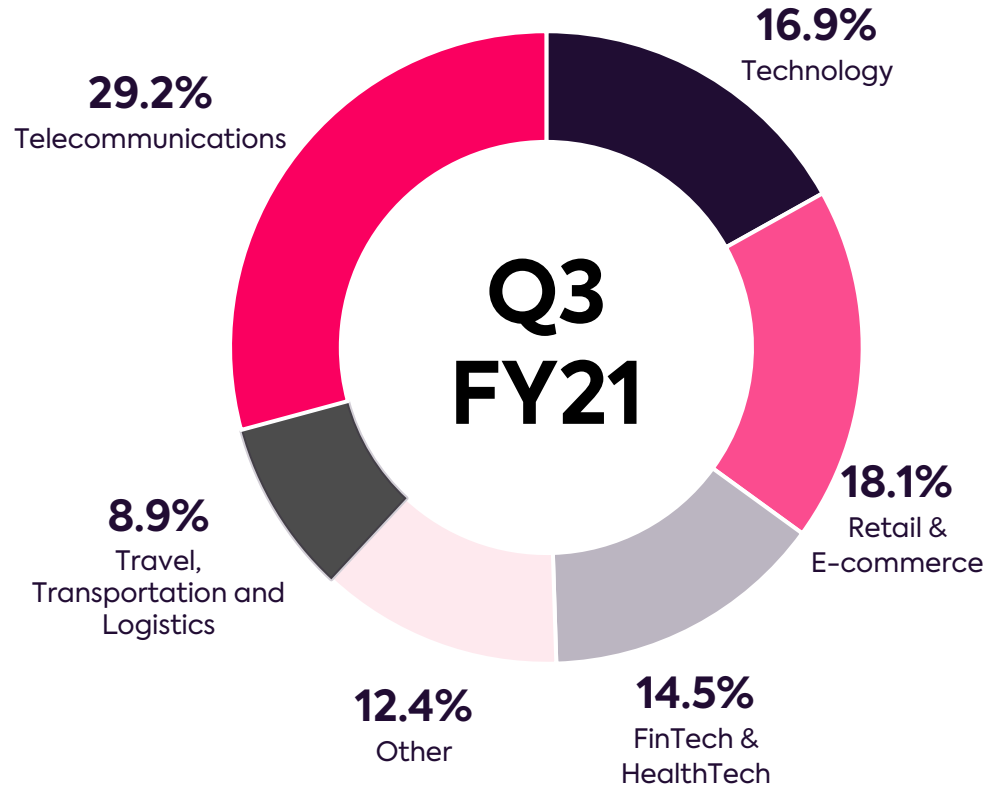
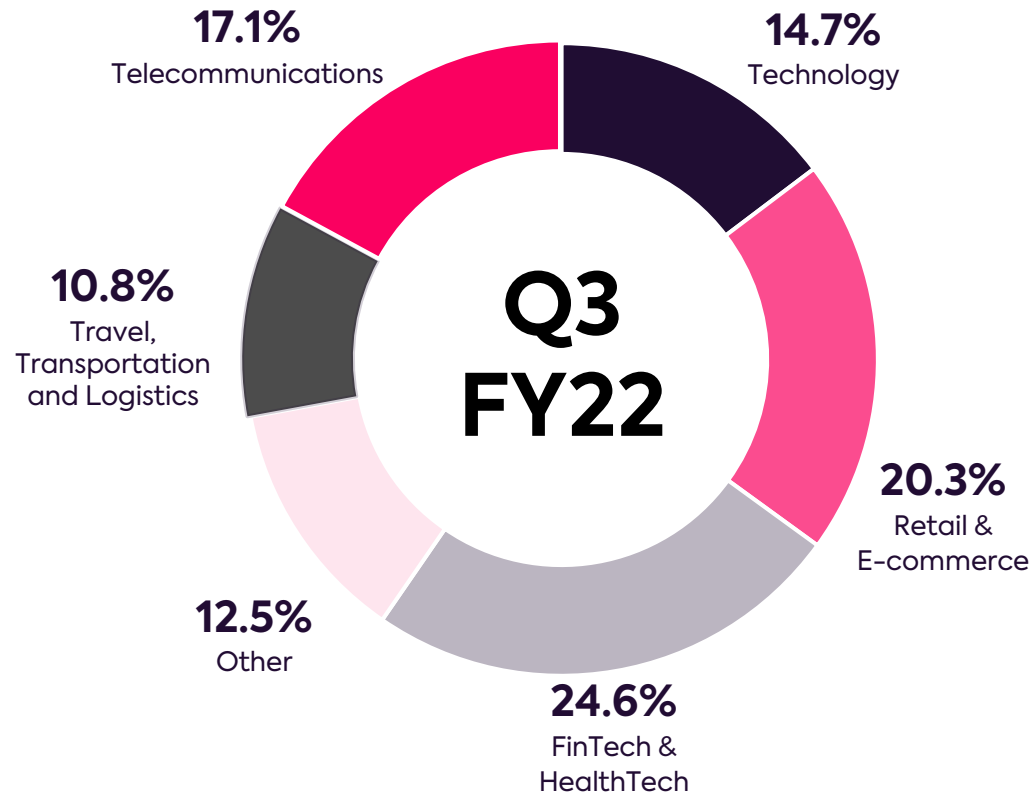
Decrease in margin driven by higher agent training costs associated with ramping our business, investment in overhead to support our growth, and the opening of our Honduras delivery center

Q3 Adjusted EBITDA



Winning in Strategic Verticals

Significant Growth in All Key Verticals
Telco Concentration under 20%



<p>Capital Expenditures \$6.1m, 4.7% of Revenue (Q3 FY21 \$6.3m, 5.8% of Revenue)</p>	<p>Capital Expenditure approx. flat year over year</p>
<p>Net Cash Generated from Operations \$12.0m Q3 FY21 \$13.9m (14%) YoY</p>	<p>Impacted by higher working capital usage partially offset by stronger operating results</p>
<p>DSO 60 Days Q3 FY21 51 days Q2 FY22 62 days</p>	<p>The increase YoY was driven by revenue growth 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 \$5.9m Q3 FY21 \$7.6m</p>	<p>Driven by lower cash generated from operations including negative impact of working capital Significantly lower capital expenditures is expected for next year as we grow into our recently built-out capacity</p>

Cash and Cash Equivalents

\$41.5m

(June 30, 2021 \$57.8m)

Balance Sheet remains strong

Borrowing and Lease Liabilities

\$117.9m

(June 30, 2021 \$112.5m)

Borrowings \$27.4m (\$28.5m as of June 30, 2021)

Lease liabilities \$90.6m (\$84.0m as of June 30, 2021)



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
- Wave X purpose-built technology driving differentiation



Track-Record & Transformation

- New client base now represents 70% of revenues
- 60% year-over-year growth in Q3'22 & 78% (E) 6-year CAGR
- Large global client base with exceptional customer & geographic diversification
- 100% Client Retention for 5 consecutive years (Top 20 clients)



Strong Financials

- Continued double-digit growth
- Record margins while regions are currently at 50% usable capacity due to social distancing
- Existing footprint offer incremental revenue potential of \$150 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

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Q & A



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Appendix



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

	Three months ended		Nine months ended		
	March 31		March 31		
<i>US\$ in thousands, except share and per share amounts</i>	2022	2021	2022	2021	
Net income/ (loss)	\$ 6,598	\$ (245)	\$ 18,077	\$ (1,180)	A Primarily represents the COVID-19 transportation related expenses
A Non-recurring expenses	42	1,848	1,754	7,839	B Represents the amortization of Amazon warrant asset based on the revenue
B Amortization of warrant asset	219	229	162	677	C Recorded a revaluation associated with the Amazon warrants
Foreign currency translation (gain) / loss	(18)	44	(24)	247	D Represents share-based payments expenses including RSA, LTIP, and phantom plans
C Fair value measurement of share warrants	3,379	4,433	(3,608)	10,178	E Represents the gain on termination of facility leases
D Share-based payments	798	1,298	1,302	4,004	
E Gain on lease terminations	(70)	(852)	(77)	(1,044)	
Total adjustments	\$ 4,350	7,000	\$ (491)	\$ 21,901	
Tax impact of adjustments	(248)	(722)	(843)	(2,901)	
Adjusted net income	\$ 10,700	\$ 6,033	\$ 16,743	\$ 17,820	

Reconciliation of Net Income / (Loss) to Adjusted EBITDA

	Three months ended		Nine months ended		
	March 31		March 31		
<i>US\$ in thousands</i>	2022	2021	2022	2021	
Net income / (loss)	\$ 6,598	\$ (245)	\$ 18,077	\$ (1,180)	A Primarily represents the COVID-19 transportation related expenses
Finance expenses	2,175	2,310	6,595	6,923	B Represents the amortization of Amazon warrant asset based on the revenue
Income tax expense	(2,886)	339	(953)	2,082	
Depreciation and amortization	8,555	7,258	24,867	20,680	
EBITDA	\$ 14,442	\$ 9,662	\$ 48,586	\$ 28,505	C Recorded a revaluation associated with the Amazon warrants
A Non-recurring expenses	42	1,848	1,754	7,839	
B Amortization of warrant asset	219	229	162	677	
Foreign currency translation (gain) / loss	(18)	44	(24)	247	D Represents share-based payments expenses including RSA, LTIP, and phantom plans
C Fair value measurement of share warrants	3,379	4,433	(3,608)	10,178	
D Share-based payments	798	1,298	1,302	4,004	
E Gain on lease terminations	(70)	(852)	(77)	(1,044)	E Represents the gain on termination of facility leases
Adjusted EBITDA	\$ 18,792	\$ 16,662	\$ 48,095	\$ 50,406	