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ibex Q3 FY2023 Earnings Call

Bob Dechant, CEO

May 17, 2023



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 our future financial and operating performance, including our outlook and guidance, and our strategies, priorities and business plans. Our expectations and beliefs regarding these matters may not materialize. 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, the effects of cyberattacks on our information technology systems; our ability to attract new business and retain key clients; our ability to enter into multi-year contracts with our clients at appropriate rates; the potential for our clients or potential clients to consolidate; our clients deciding to enter into or further expand their insourcing activities; our ability to manage portions of our business that have long sales cycles and long implementation cycles that require significant resources and working capital; our ability to manage our international operations, particularly in the Philippines, Jamaica, Pakistan and Nicaragua; our ability to comply with applicable laws and regulations, including those regarding privacy, data protection and information security; our ability to manage the inelasticity of our labor costs relative to short-term movements in client demand; our ability to realize the anticipated strategic and financial benefits of our relationship with Amazon; our ability to recruit, engage, motivate, manage and retain our global workforce; our ability to anticipate, develop and implement information technology solutions that keep pace with evolving industry standards and changing client demands; our ability to maintain and enhance our reputation and brand; developments relating to COVID-19, 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 4, 2022.

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 4, 2022 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.

	<p>Strong Financial Profile Growth of Key Segments, Strong Ebitda, Net income, FCF, EPS</p>	<p>18.5% Adj Ebitda Q3 FY23</p>	<p>\$1.98 TTM Adj. EPS</p>
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	<p>Transformation to a leading Digital First & Analytics driven business Profitable Digital First BPO 2.0 clients – leading Blue Chips and New Economy</p>	<p>12.3% Y-Y Growth</p>	<p>78% % of Revenue</p>
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	<p>Geographic Expansion to High Margin Geographies Digital First Clients look to low-cost markets with high quality</p>	<p>72% Revenue</p>	<p><i>Offshore/Nearshore/ROW</i> 15% Growth</p>
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	<p>Ideal Client Diversification Highly Diversified with Top Clients and Strategic Verticals Proven Track record of Land & Expand</p>	<p><i>Top Client 12% of Revenue</i> 38% Top 5 Clients</p>	<p>80% Top 25 Clients</p>
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	<p>Advancement of ESG initiatives Prioritizing Workforce Diversity and Inclusion</p>	<p>47% Global Workforce from a Minority Group</p>
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Q3 FY2023 Results & Highlights

Strong Results Throughout the P&L

\$131.6m

Revenue

\$24.4m

Adj. EBITDA

\$11.3m

Adj. Net Income

8.4%

Normalized Growth
(YoY)¹

18.5%

Adj. EBITDA Margin

\$13.4m

FCF

1.9%

Revenue Growth (YoY)

30%

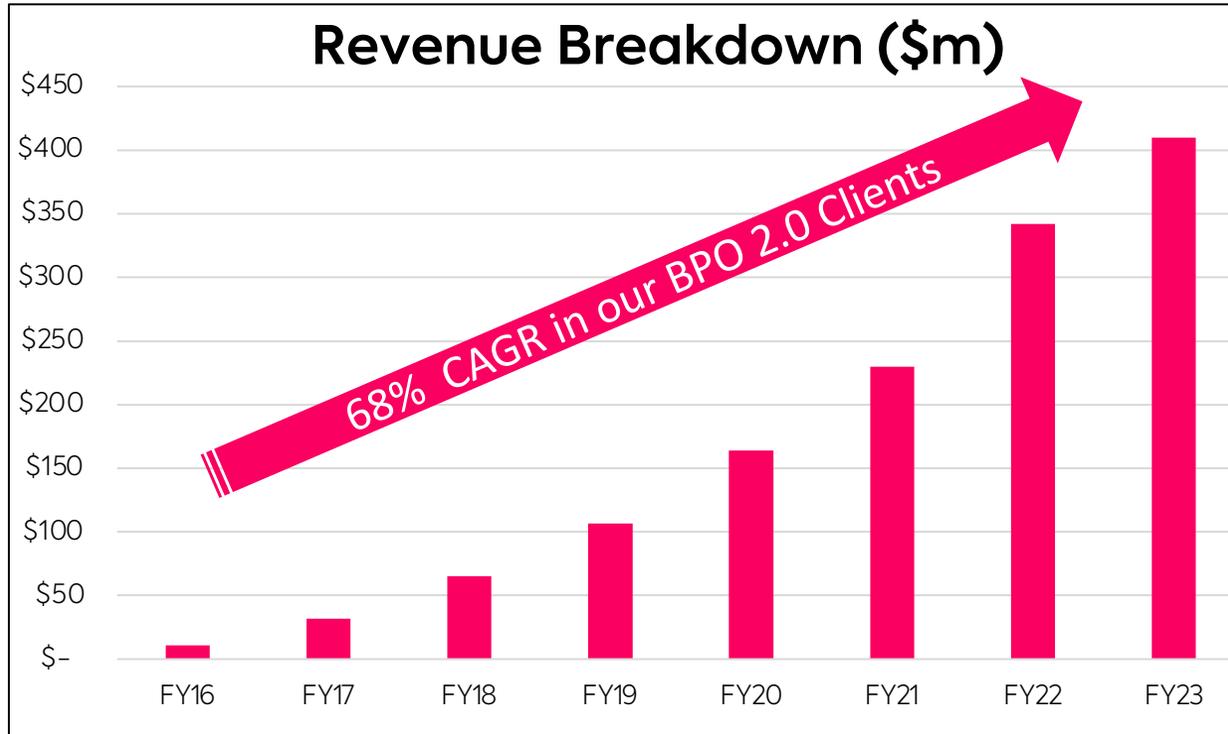
Adj. EBITDA Growth

\$0.59

Adj. EPS

¹ Adjusting for exit of Legacy unprofitable client in Q4 FY22

Powerful Growth with our Digital First BPO 2.0 Clients



• 78% of Total Revenues

• 68% CAGR

• 12.3% growth in Q3 FY23

BPO 2.0 Clients

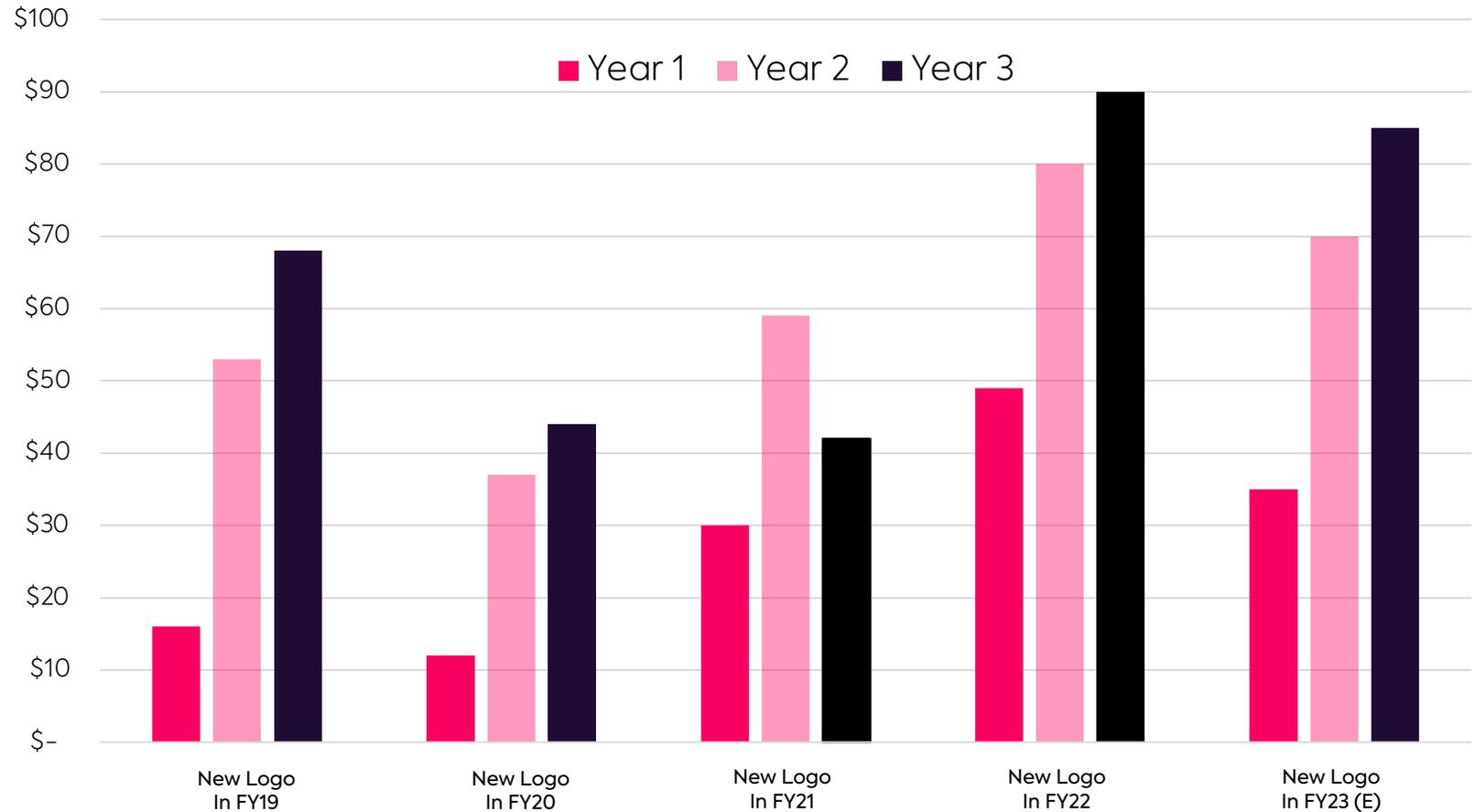
Leading Blue-chips & Digital and Analytics-First brands

- + Primarily Digital & Integrated Omni-Channel Support (73%)
- + ibex WaveX Tech Stack Deployments
- + Bundled with ibex WaveX Business Analytics (90+ Deployments)
- + Building amazing workplaces with branded centers and unparalleled employee engagement

Client Cohort Performance:

- **Strong Pipeline with high profile clients across key verticals**
- **Key New Logos won or launched YTD**
 - Top HealthCare payer
 - Leading Healthcare provider
 - Leading Health & Beauty retailer
 - Leading Asia-Based Airline
 - Top Online Graphic Design Co.
 - 2 Leading Energy/Utility Co.
- **\$30m - \$35m estimate of new logo revenue in FY23**
- **Rapid Land & Expand**
 - *2.0x growth in Year 2*
 - *1.5x growth in Year 3*
- **Extremely high win rates driven by differentiated BPO 2.0 solutions**

New Client Cohort Data (\$m) FY19-FY23



Note: Year 3 for FY21 and Year 2 For FY22 are based on estimates. FY23 cohort based on estimates and historical increases in Year 2 & 3.

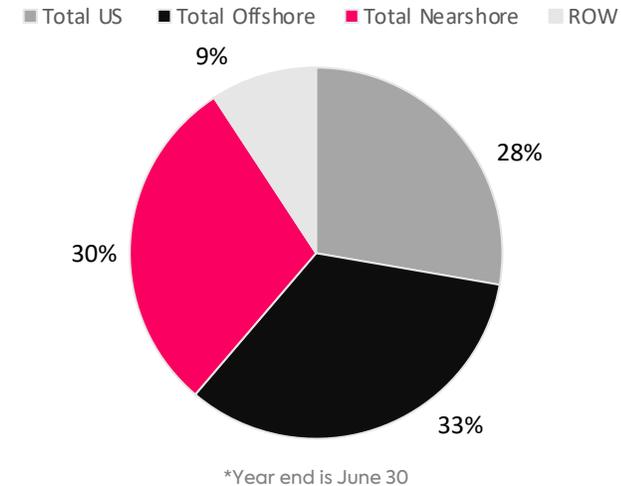
Significant Shift in our Geographical Makeup to more profitable mix

Geographic Mix Change



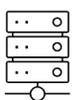
These numbers include a legacy unprofitable client in FY21 & FY22

Q3 FY23(A) REVENUE MIX:



- **~15% Growth in our higher margin Offshore, Nearshore and ROW regions now 72% of Revenues**
 - Capacity Utilization in these regions increased to >60% from ~50% in last 2 quarters driving further margin expansion
- **US Region down to ~28% while improving margins with better client mix**
 - Expect US margins to be stronger in FY24 with site rationalization completed in Q4
- **Great trajectory going forward**

iVoice 2023 Global Results

	68	iVoice Global Employee NPS
	85%	Global Participation Rate
	79	eNPS in Philippines
	93%	Philippines Participation Rate ¹
	68	Client NPS

¹Philippines is our largest region



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	Guidance	Prior Guidance	FY22
Revenue	\$523-\$527m	\$545-\$555m	\$493.6m
Adj. Ebitda	\$88-\$90m	\$82-\$84m	\$66.8m
CapEx	\$19m	\$18-\$22m	\$25.9m

- Strong Ebitda Growth in FY23
- Double Digital growth of BPO 2.0 clients into higher margin regions
- Improvements in US region margins with site rationalization & client mix change
- Macro environment pressuring top line

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Financial Results

Karl Gabel
CFO



Revenue

\$131.6m

+1.9% YoY

+8.4% YoY¹

- 12.3% YoY growth of BPO 2.0 clients, now 78% of total revenue (70% in Q3 FY22)
- Lower onshore revenues
- Macro-Economic impact on Sales cycle and client volumes

Net Income

\$11.7m Q3 FY23

\$6.6m Q3 FY22

Stronger operating results: **Net Income +77% from prior year quarter**

Gain on fair value measurement of share warrants

Fully Diluted EPS

\$0.61 Q3 FY23

\$0.35 Q3 FY22

Partially offset by higher income tax expense driven by significant deferred tax benefit in Q3 FY22 and increased profitability

Annual Effective Tax Rate

~15%-17%

- Expected normalized annual effective tax rate

Adjusted EBITDA

\$24.4m Q3 FY23
\$18.8m Q3 FY22

- **+30% from prior year quarter**
- Growth and profitability in our BPO 2.0 clients in higher margin regions
- Partnering with clients on Price Increase and COLA to offset wage inflation pressures
- Higher work from site capacity utilization

Adjusted Net Income

\$11.3m Q3 FY23
\$10.7m Q3 FY22

Stronger operating results

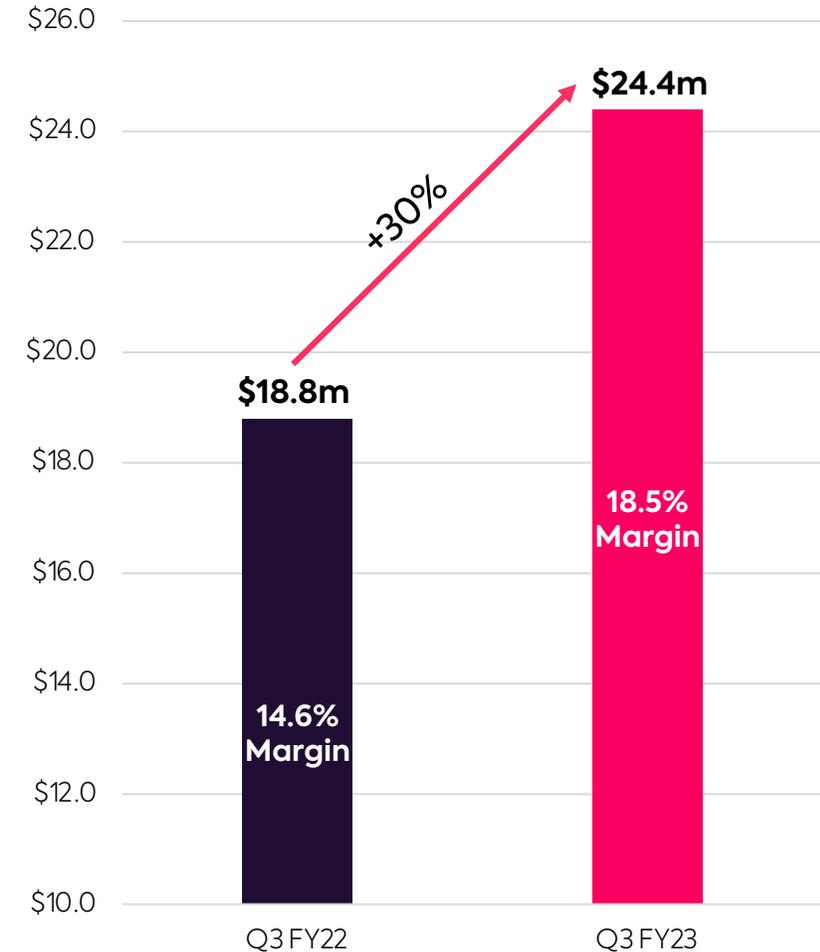
Partially offset by higher income tax expense driven by significant deferred tax benefit in Q3 FY22 and increased profitability

Adjusted Fully Diluted EPS

\$0.59 per share Q3 FY23
\$0.57 per share Q3 FY22

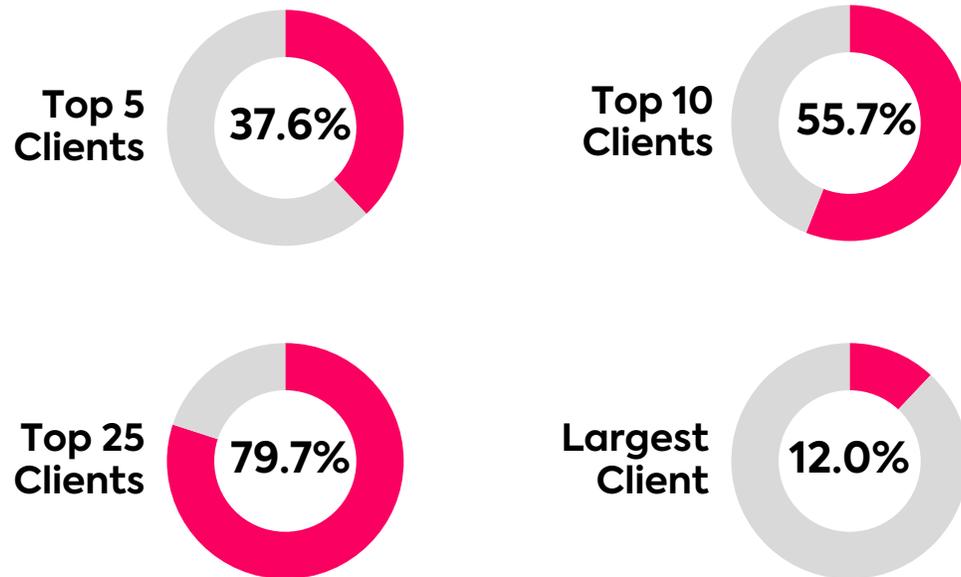
- TTM Adj. EPS: \$1.98

Q3 Adjusted EBITDA

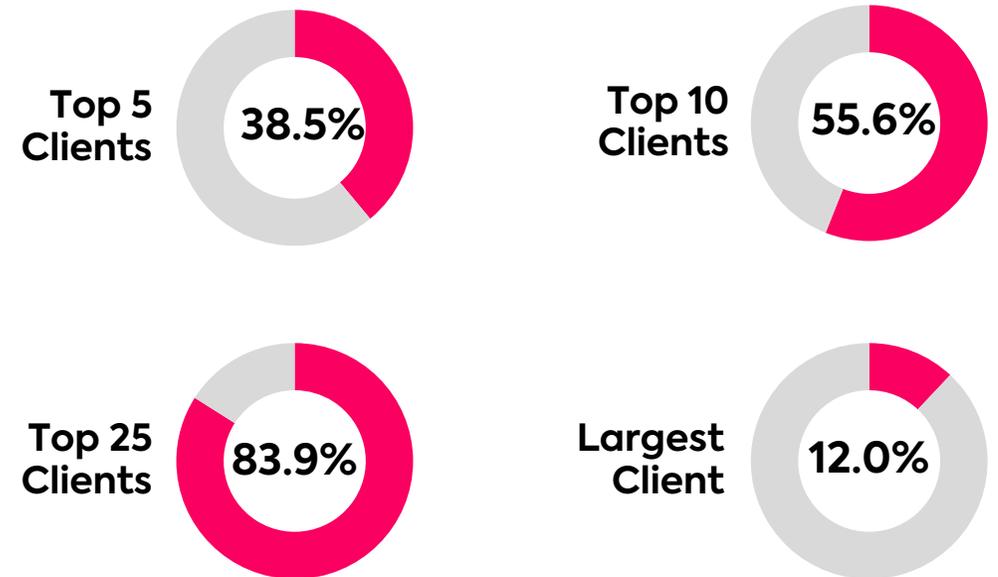


Revenue: Model Client Diversification

Q3 FY23 Client Statistics (% of Revenue)

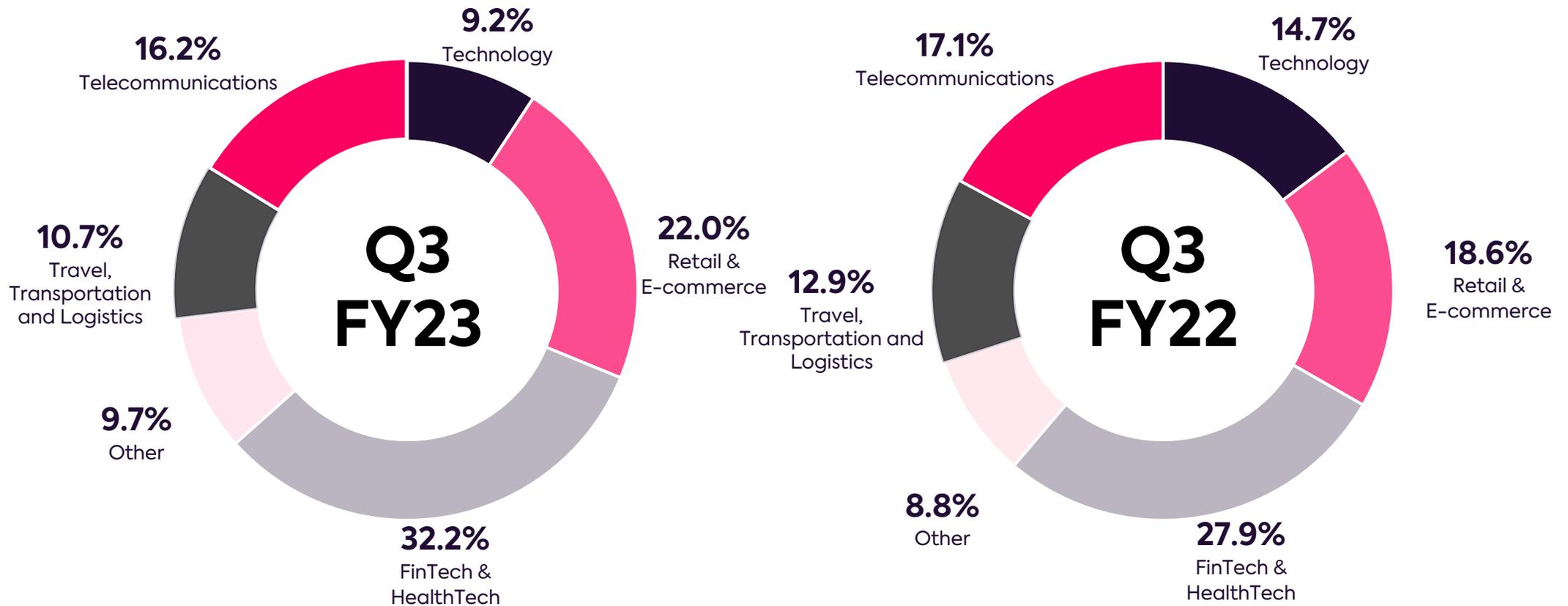


Q3 FY22 Client Statistics (% of Revenue)



Winning in Strategic Verticals

Significant Growth in Key Strategic Verticals
Telco Concentration under 20%



Technology decline includes exit of legacy client

Net Cash Generated from Operations

\$17.2m Q3 FY23

\$12.0m Q3 FY22

- Expanded Adjusted EBITDA

DSO

63 days Q3 FY23

60 days Q3 FY22

61 days Q2 FY23

- DSOs below industry average

Capital Expenditures

\$3.8m, 2.9% of Revenue Q3 FY23

\$6.1m, 4.7% of Revenue Q3 FY22

- Capex down as we utilize our available capacity built out in prior years
- Expect this trend to continue

Non-GAAP Free Cash Flow

\$13.4m Q3 FY23

\$5.9m Q3 FY22

- Increased net operating cash along with lower Capex

Cash and Cash Equivalents

\$43.7m

June 30, 2022 \$48.8m

- Decrease driven by paying down debt
- Increase in borrowing availability under our revolving credit facilities to \$77.6m as of March 2023 v. \$50.5m as of June 2022

Borrowing and Lease Liabilities

\$84.3m

June 30, 2022 \$104.7m

- Borrowings down to \$0.1m (\$15.0m as of June 2022)
- Lease liabilities down to \$84.2m (\$89.7m as of June 2022)

	Guidance	Prior Guidance	FY22
Revenue	\$523-\$527m	\$545-\$555m	\$493.6m
Adj. Ebitda	\$88-\$90m	\$82-\$84m	\$66.8m
CapEx	\$19m	\$18-\$22m	\$25.9m

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Q & A



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Appendix



Reconciliation of Net Income to Adjusted Net Income

<i>US\$ in thousands</i>	Three months ended		Twelve months ended	
	31-Mar		30-Jun	
	2023	2022	2022	2021
Net income	\$ 11,700	\$ 6,598	\$ 22,990	\$ 2,847
A Non-recurring expenses	83	42	3,256	10,203
B Amortization of warrant asset	223	219	250	517
Foreign currency translation (gain) / loss	-325	-18	-40	198
C Fair value measurement of share warrants	-777	3,379	-2,310	9,732
D Share-based payments	1,317	798	1,851	4,521
E Gain on lease terminations	0	-70	-150	-923
Gain on Sale of Assets	-248	0	0	0
Total adjustments	\$ 273	\$ 4,350	\$ 2,857	\$ 24,248
Tax impact of adjustments	-671	-248	-1,226	-3,519
Adjusted net income	\$ 11,302	\$ 10,700	\$ 24,621	\$ 23,576
Net Income Margin	8.6%	8.3%	5.0%	5.3%

- A** Represents US GAAP transition expense, severance expense, litigation and settlement expenses, costs related to COVID-19, and/or listing costs
- B** Represents the amortization of Amazon warrant asset based on the revenue
- C** Recorded a revaluation associated with the Amazon warrants
- D** Represents share-based payments expenses including RSA, LTIP, and phantom plans
- E** Represents the gain on termination of facility leases

Reconciliation of Net Income to Adjusted EBITDA

	Three months ended		Twelve months ended	
	31-Mar		30-Jun	
	2023	2022	2022	2021
<i>US\$ in thousands</i>				
Net income	\$ 11,700	\$ 6,598	\$ 22,990	\$ 2,847
Finance expenses	1,776	2,175	8,797	9,034
Income tax expense / (Benefit)	1,907	-2,886	-1,987	1,918
Depreciation and amortization	8,700	8,555	34,179	28,197
EBITDA	\$ 24,083	\$ 14,442	\$ 63,979	\$ 41,996
A Non-recurring expenses	83	42	3,256	10,203
B Amortization of warrant asset	223	219	250	517
Foreign currency translation (gain) / loss	-325	-18	-40	198
C Fair value measurement of share warrants	-777	3,379	-2,310	9,732
D Share-based payments	1,317	798	1,851	4,521
E Gain on lease terminations	0	-70	-150	-923
Gain on Sale of Assets	-248	0	0	0
Adjusted EBITDA	\$ 24,356	\$ 18,792	\$ 66,836	\$ 66,244
Adjusted EBITDA Margin	18.5%	14.6%	13.5%	14.9%

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