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# ibex Q3 FY2025 Earnings Call

Bob Dechant, CEO

May 8, 2025



# 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, our ability to attract new business and retain key clients; our profitability based on our utilization, pricing and managing costs; the potential for our clients or potential clients to consolidate; our clients deciding to enter into or further expand their insourcing activities and current trends toward outsourcing services may reverse; general economic uncertainty in global markets and unfavorable economic conditions, including inflation, rising interest rates, recession, foreign exchange fluctuations and supply-chain issues; our ability to manage our international operations, particularly in the Philippines, Jamaica, Pakistan and Nicaragua; natural events, health epidemics, geopolitical conditions, including developing or ongoing conflicts, widespread civil unrest, terrorist attacks and other attacks of violences involving any of the countries in which we or our clients operate; our ability to anticipate, develop and implement information technology solutions that keep pace with evolving industry standards and changing client demands including the effective adoption of Artificial Intelligence into our offerings; our ability to recruit, engage, motivate, manage and retain our global workforce; our ability to comply with applicable laws and regulations, including those regarding privacy, data protection and information security, employment and anti-corruption; the effect of cyberattacks or cybersecurity vulnerabilities on our information technology systems; our ability to realize the anticipated strategic and financial benefits of our relationship with Amazon, the impact of tax matters, including new legislation and actions by taxing authorities, as well as other risks and uncertainties discussed in the “Risk Factors” section of our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the “SEC”) on September 12, 2024, as updated by our Quarterly Reports on Form 10-Q, and any other risk factors we include in subsequent filings with the SEC.

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.

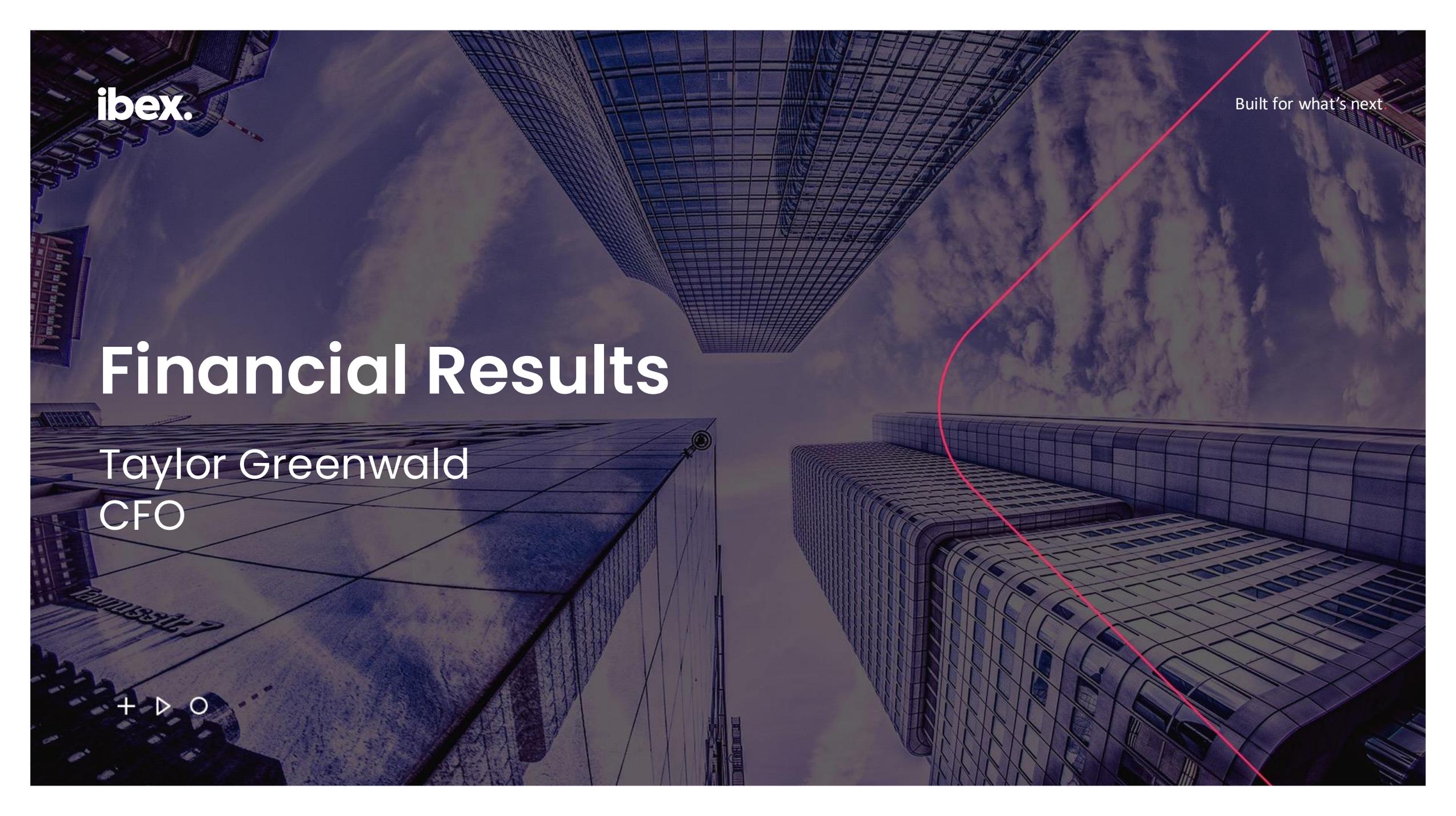
This presentation includes non-GAAP financial measures which have certain limitations and should not be considered in isolation, or as alternatives to or substitutes for, financial measures determined in accordance with GAAP as issued by the FASB. The non-GAAP measures as defined by us may not be comparable to similarly titled non-GAAP measures presented by other companies and have limitations as analytical tools. 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. Non-GAAP financial measures and ratios are not measurements of our performance, financial condition or liquidity under GAAP as issued by the FASB and should not be considered as alternatives to operating profit or net income or as alternatives to cash flow from operating, investing or financing activities for the period, or any other performance measures, derived in accordance with GAAP as issued by the FASB or any other generally accepted accounting principles.

We are not providing a quantitative reconciliation of forward-looking non-GAAP adjusted EBITDA to the most directly comparable GAAP 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 GAAP reported results for the guidance period.

For additional information about ibex's business, refer to our Annual Report on Form 10-K filed with the SEC on September 12, 2024, and other documents filed with the SEC from time to time, and relevant earnings press releases (including GAAP, Non-GAAP and other 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](http://www.sec.gov).

	<p><b>Strong Financial Profile</b> Growth of Key Segments, Strong EBITDA, Net income, EPS</p>	<p><b>13.0%</b> TTM Adj. EBITDA</p>	<p><b>\$2.48</b> TTM Adj. EPS</p>
	<p><b>Transformation to a Leading Digital First Business</b> Continued growth in our Digital First integrated omni-channel business</p>	<p><b>7.4%</b> TTM Growth</p>	<p><b>81%</b> Q3 FY25 Revenue</p>
	<p><b>Growth in our High Margin Geographies</b> Strength in our offshore offerings</p>	<p><b>14.1%</b> TTM Growth</p>	<p><i>Offshore</i> <b>51%</b> Q3 FY25 Revenue</p>
	<p><b>Ideal Client Diversification</b> Highly Diversified with Top Clients and Strategic Verticals Proven Track record of Land &amp; Expand</p>	<p><i>% of Q3 Revenue</i> <b>38%</b> Top 5 Clients</p>	<p><b>80%</b> Top 25 Clients</p>
	<p><b>Early Mover in Delivering AI Solutions</b> Won first significant deal in Q4 FY24</p>	<p><b>75+</b> Pipeline Opportunities</p>	<p><b>9+</b> Deployments</p>
	<p><b>Employee NPS Score</b> Industry leader; up 9 points from prior year</p>	<p><b>77 eNPS</b></p>	

- ✓ Delivered record Q3 Revenue of \$140.7m, up 11.0% from prior year quarter
- ✓ Delivered strong Q3 adjusted EBITDA of \$19.4m, while making key investments into India
- ✓ Achieved record adjusted EPS of \$0.82, up 18% from prior year quarter
- ✓ Generated \$3.6m in FCF; completed repayment of convertible promissory note to TRGI
- ✓ Closed 4 new logos in quarter for a total of 12 year to date
- ✓ Impactful quarter with our leading Wave iX AI solution stack
- ✓ **Major milestone: Strategic entry into India for leading healthcare client**



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# Financial Results

Taylor Greenwald  
CFO



# Q3 FY2025: Financial Highlights – US GAAP

## Record Q3 top line results and strong profitability

### Revenue

\$140.7m Q3 FY25 vs.  
\$126.8m Q3 FY24

- Growth in HealthTech (+20.0%), Travel, Transportation & Logistics (+18.7%), and Retail & E-commerce (+14.6%) verticals along with growth in our digital acquisition business; partially offset by decline in FinTech (-12.2%)
- Growth in higher margin offshore regions to 51% of total revenue, up from 48% in the prior year quarter

### Net Income

\$10.5m Q3 FY25 vs.  
\$10.3m Q3 FY24

- Strong revenue growth of 19% in our higher margin offshore regions vs. prior year quarter
- Realization of site and cost optimization efforts
- Partially offset by higher SG&A, income tax and interest expense

### Fully Diluted EPS

\$0.73 Q3 FY25 vs.  
\$0.57 Q3 FY24

- Fewer diluted shares outstanding as a result of repurchase of 3.6 million shares from TRGI in November and share repurchase program (14.4m vs 18.0m)

## Adjusted EBITDA

\$19.4m Q3 FY25 vs.  
\$19.2m Q3 FY24

## Adjusted Net Income

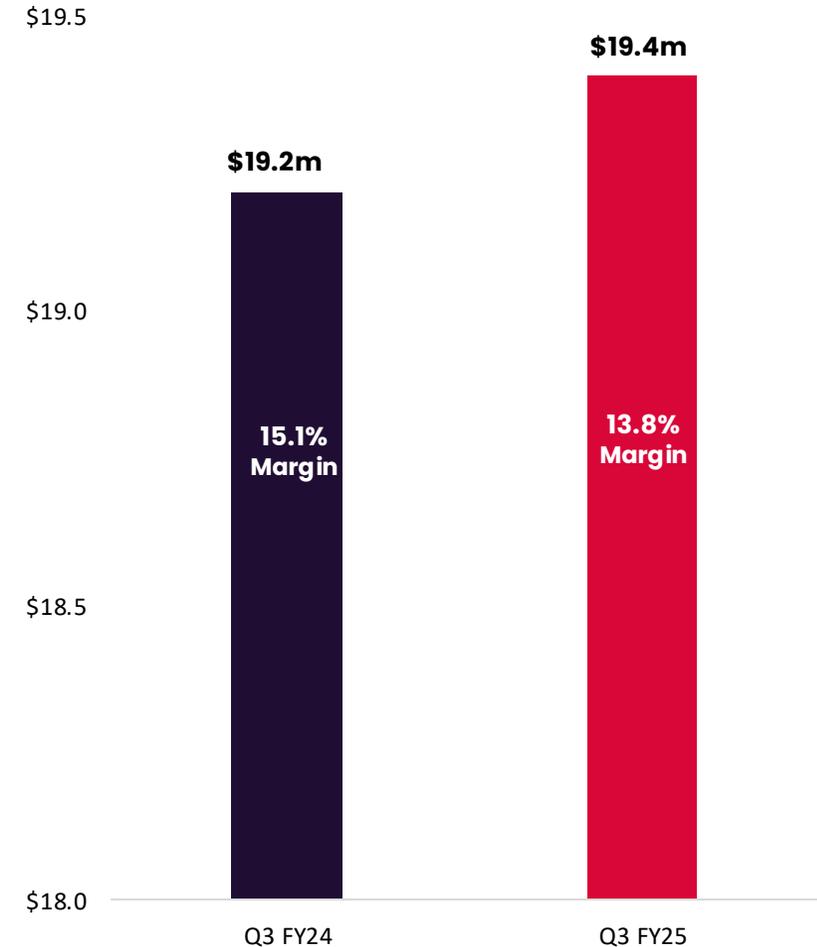
\$11.8m Q3 FY25 vs.  
\$12.6m Q3 FY24

## Adjusted EPS

\$0.82 per share Q3 FY25 vs.  
\$0.70 per share Q3 FY24

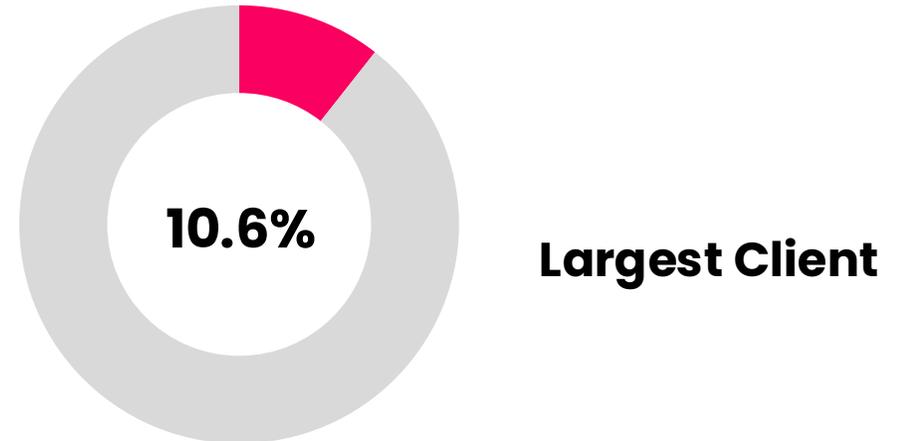
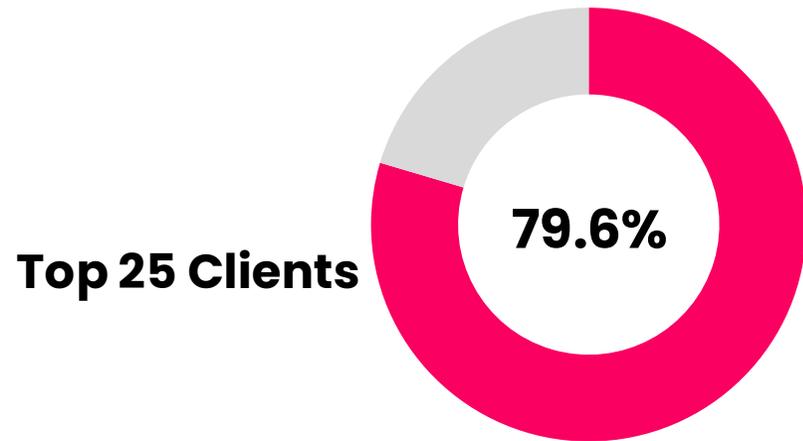
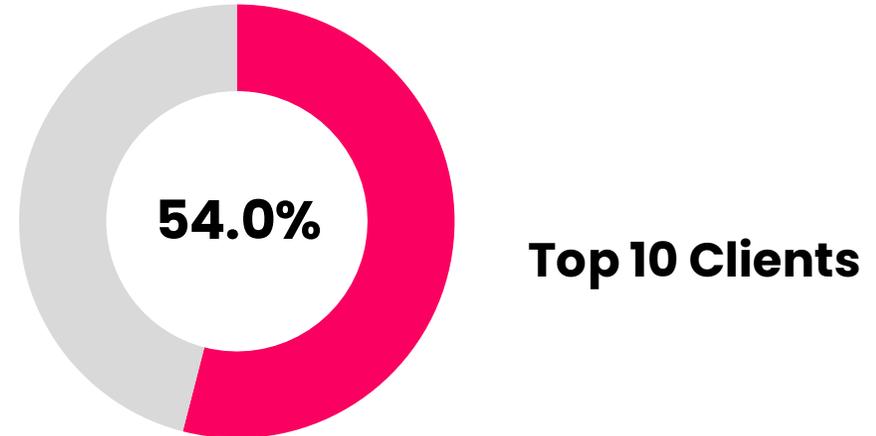
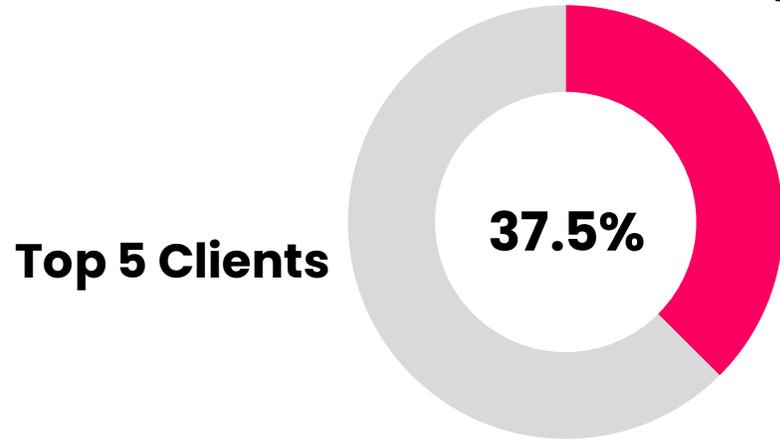
- Higher Adjusted EBITDA is driven by Revenue growth in key verticals from existing and new clients launched throughout fiscal 2024 and fiscal 2025 to-date
- While gross margin improved 50 bps, Adj. EBITDA margin was down primarily driven by increases in SGA expenses related to investments in our expansion into India and in our people and technology

## Q3 YoY Adjusted EBITDA



# Revenue: Model Client Diversification

Q3 FY25 Client Statistics  
(% of Revenue)



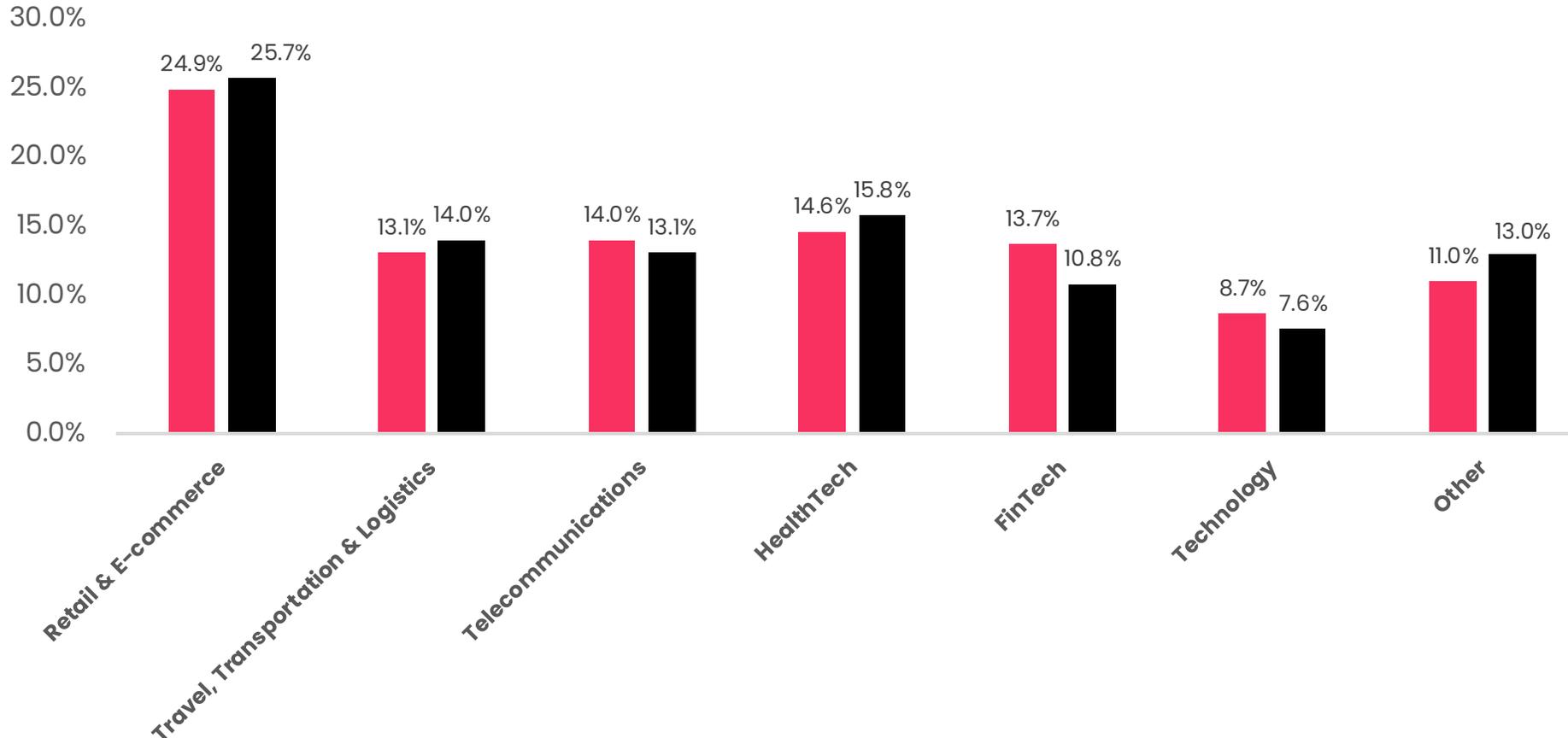
**60 clients > \$1m annualized revenue vs 32 at IPO**  
**26 clients > \$5m annualized revenue vs 13 at IPO**

# Winning in Strategic Verticals

## Continued Growth in HealthTech and Retail & E-commerce

% of Total Revenue

■ Q3 FY24 ■ Q3 FY25



- HealthTech increased 20.0% YoY
- Travel, Transportation & Logistics increased 18.7% YoY
- Retail & E-commerce increased 14.6% YoY

# Q3 FY2025: Cash Flow and CapEx

## **Net Cash Generated from Operations**

\$8.8m Q3 FY25

\$11.4m Q3 FY24

## **Capital Expenditures**

\$5.3m, 3.7% of Revenue Q3 FY25

\$1.7m, 1.3% of Revenue Q3 FY24

## **DSO**

77 days Q3 FY25

79 days Q2 FY25

72 days Q4 FY24

## **Non-GAAP Free Cash Flow**

\$3.6m Q3 FY25

\$9.7m Q3 FY24

# March 2025 Balance Sheet

<p><b>Cash and Cash Equivalents</b>          \$13.0m          December 31, 2024, \$20.2m</p>	<ul style="list-style-type: none"> <li>• Use of cash and revolving facilities to retire the \$25m convertible note with TRGI</li> </ul>
<p><b>Total Debt</b>          ~\$20.6m          December 31, 2024, \$33.9m</p>	<ul style="list-style-type: none"> <li>• Includes \$19.1m balance on our HSBC credit line</li> </ul>
<p><b>Net Debt</b>          ~\$7.6m          December 31, 2024, \$13.7m</p>	<ul style="list-style-type: none"> <li>• Improvement of \$6.1m in Net debt position</li> </ul>

## FY25



**Revenue**

**\$540–545m**  
Up from \$525–535m



**Adj. EBITDA**

**\$68–70m**  
Up from \$68–69m



**CapEx**

**\$15–20m**

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# Q & A



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# Appendix



# Reconciliation of Net Income to Adjusted Net Income

<i>US\$ in thousands, except per share amounts, unaudited</i>	Three months ended		Nine months ended	
	31-March		31-March	
	2025	2024	2025	2024
<b>Net income</b>	<b>\$ 10,469</b>	<b>\$ 10,310</b>	<b>\$ 27,268</b>	<b>\$ 23,810</b>
<b>Net income margin</b>	<b>7.4%</b>	<b>8.1%</b>	<b>6.6%</b>	<b>6.2%</b>
Severance Costs	0	1,506	0	1,506
Impairment losses	0	1,257	0	1,257
Warrant contra revenue	0	299	0	893
Foreign currency loss/(gain)	121	-471	666	-571
Share-based compensation expense	1,601	466	3,506	2,741
<b>Total adjustments</b>	<b>\$ 1,722</b>	<b>\$ 3,057</b>	<b>\$ 4,172</b>	<b>\$ 5,826</b>
Tax impact of adjustments	-404	-809	-1,006	-1,480
<b>Adjusted net income</b>	<b>\$ 11,787</b>	<b>\$ 12,558</b>	<b>\$ 30,434</b>	<b>\$ 28,156</b>
<b>Adjusted Net Income Margin</b>	<b>8.4%</b>	<b>9.9%</b>	<b>7.4%</b>	<b>7.3%</b>
Diluted earnings per share	\$ 0.73	\$ 0.57	\$ 1.70	\$ 1.29
Per share impact of adj. to Net Income	0.09	0.12	0.20	0.24
<b>Adj. earnings per share – diluted</b>	<b>\$ 0.82</b>	<b>\$ 0.70</b>	<b>\$ 1.90</b>	<b>\$ 1.53</b>
Weighted average diluted shares outstanding	14,404	18,036	16,135	18,458

# Reconciliation of Net Income to Adjusted EBITDA

	Three months ended		Nine months ended	
	31-March		31-March	
	2025	2024	2025	2024
<i>US\$ in thousands, unaudited</i>				
<b>Net income</b>	<b>\$ 10,469</b>	<b>\$ 10,310</b>	<b>\$ 27,268</b>	<b>\$ 23,810</b>
<b>Net income margin</b>	<b>7.4%</b>	<b>8.1%</b>	<b>6.6%</b>	<b>6.2%</b>
Interest expense	404	124	1,186	339
Income tax expense	2,488	1,279	6,821	3,940
Depreciation and amortization	4,329	4,865	12,984	14,853
<b>EBITDA</b>	<b>\$ 17,690</b>	<b>\$ 16,578</b>	<b>\$ 48,259</b>	<b>\$ 42,942</b>
Severance Costs	0	1,506	0	1,506
Impairment losses	0	1,257	0	1,257
Interest Income	-32	-431	-926	-1,529
Warrant contra revenue	0	299	0	893
Foreign currency loss/(gain)	121	-471	666	-571
Share-based compensation expense	1,601	466	3,506	2,741
<b>Adjusted EBITDA</b>	<b>\$ 19,380</b>	<b>\$ 19,204</b>	<b>\$ 51,505</b>	<b>\$ 47,239</b>
<b>Adjusted EBITDA Margin</b>	<b>13.8%</b>	<b>15.1%</b>	<b>12.5%</b>	<b>12.3%</b>

# Recent Industry Awards

