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ibex FY2022 Earnings Call

Bob Dechant, CEO

Sept 22, 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.



Compelling Vision

- Mission-critical, omnichannel customer service experiences
- Clients seeking to maximize customer lifetime value & brand experience
- Differentiated BPO 2.0 capabilities
- 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 74% of revenues
- Record Revenues Q4'22
- Large global client base with exceptional customer & geographic diversification
- Industry Best Client Retention (Top 25 clients)
- Strategic footprint



Strong Financials

- Continued double-digit growth
- High margin growth upside with available capacity
- Existing footprint offer incremental revenue potential of \$150 million p.a.
- Cash Balance exceeds Total Borrowings
- Growth vectors = high margin drivers
- Positioned for robust FCF



Capital Allocation

- Less than 2-year payback on growth CAPEX
- \$20 million share repurchase authorization
- Flexible, pragmatic, and opportunistic capital allocation mindset

ibex Today: Q4 and FY2022 Results

Strong Fiscal Year 2022 Results

\$493.6m

Revenue

\$66.8m

Adj EBITDA

11.2%

Revenue Growth (YoY)

13.5%

Adj. EBITDA Margin

\$24.2m

Free Cash Flow

\$1.32

EPS

FY22 Metrics

3,400+

New Seats in FY22
(21,000 Total)

23

New Logos

21%

Work at Home
Agents

30K

Employees

Q4 FY2022 Results

\$123.7m

Record Revenue

~13.6%

YoY Q4 Revenue Growth

\$18.7m

Adj. EBITDA

15.1% (+50 bps)

Adj. EBITDA Margin

4

New Logos

\$25.1m

Free Cash Flow

BPO 1.0



Call center outsourcing

Clients seek to minimize cost and benefit from economies of scale

Offshore locations are a cost advantage

Labor arbitrage play

Voice centric

“How many agents can you give me?”
“Where are your sites?”

Procurement Exec driven decision

BPO 2.0



Omni-channel contact center outsourcing

Clients seek to maximize customer lifetime value and brand experience cost effectively

Offshore locations are a quality advantage

Deeply engaged digitally native employee base

CX & Technology Focused

“How do you protect my brand?” “What immersive experience do you create for my customers?”

Business Exec driven decision



Wave X purpose-built Technology Stack

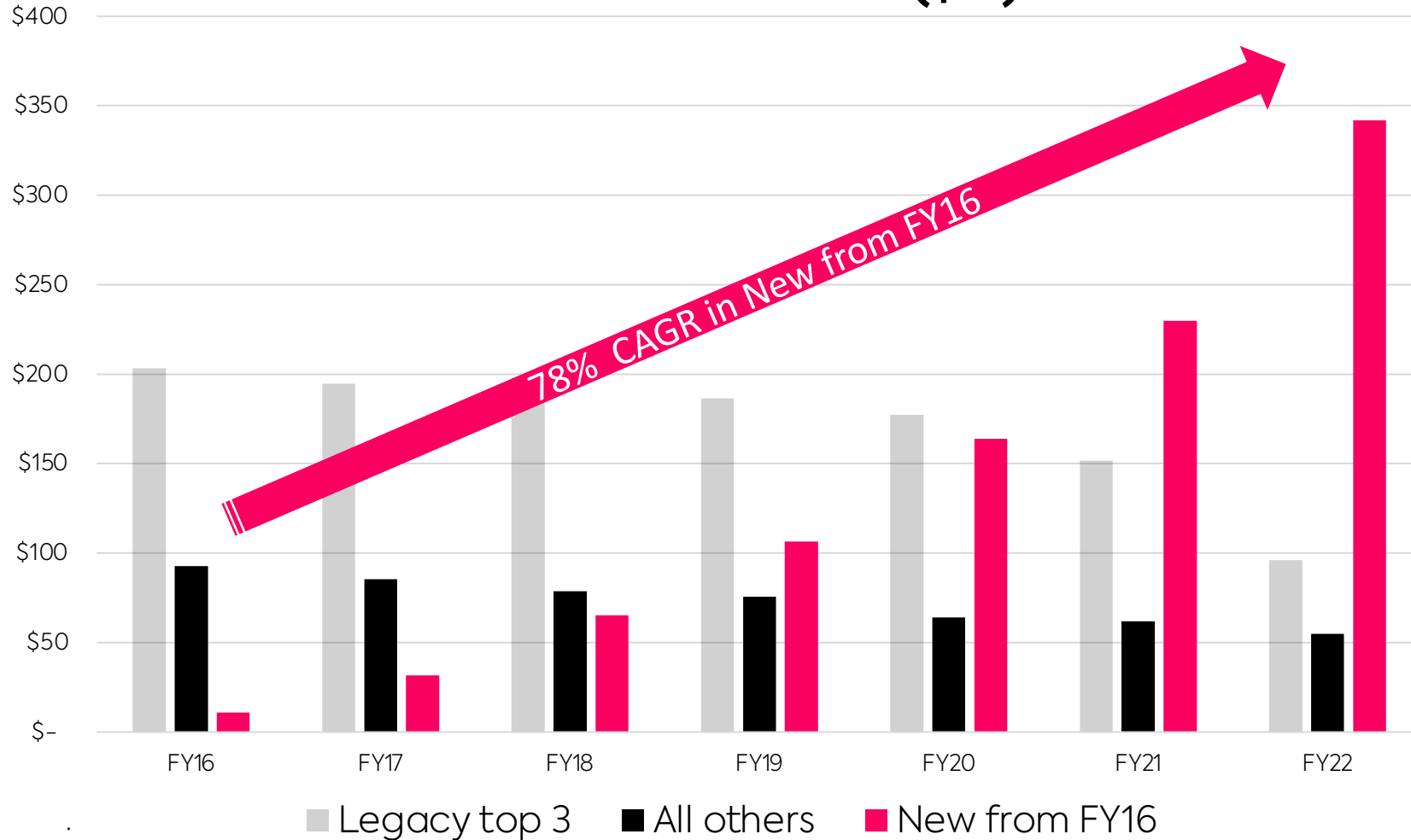
Industry Best Agent-First Culture

World Class Contact Centers + Creative Client Branding

Fast – Flexible – Leaned-in Strong Management

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

Revenue Breakdown (\$m)



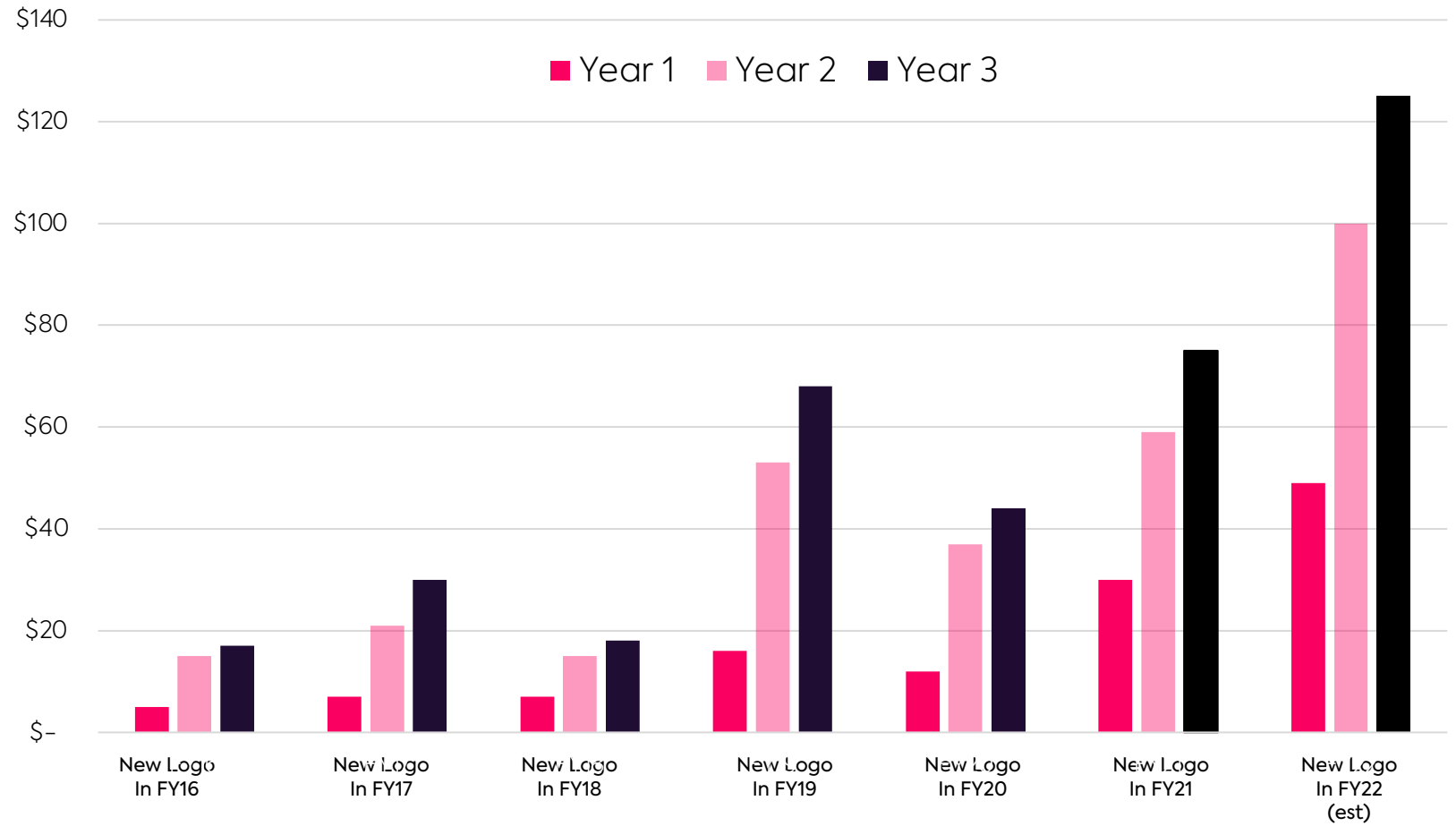
New Clients Won since FY16

- 43% growth in Q4'22
- 74% of Total Revenues
- Digitally Focused Brands
- Integrated Omni-Channel Support
- Wave X and Business Analytics

Client Cohort Performance:

- **4 New Logo Wins in the Quarter**
- **23 New Logo Wins Year to Date**
- **Significant wins in HealthTech**
- **FinTech and HealthTech ~100% Growth & 26% of FY22 Total Revenues and 30%+ of Q4 FY22**
- **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 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:
~\$128m FY22
2x YoY

<p>#1</p>  <p>Cloud Based Restaurant Tech</p>	<p>#1</p> <p>\$</p> <p>Millennial Trading App</p>	<p>#1</p>  <p>Retail & E-commerce</p>	<p>#1</p>  <p>Global Company</p>
<p>#1</p>  <p>Technology & E-commerce</p>	<p>#1</p>  <p>Extended Warranty</p>	<p>#1</p>  <p>Shipping & Logistics</p>	<p>#1</p> <p>₿</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>

Q4'22 Client Statistics (% of Revenue)



Legacy 3 Clients Down to 15% from 28%



ibex Culture: ibex VIP Jamaica



71

Employee NPS

65

Client NPS

Best-in-Class Retention



**Best Place to Work
Central America and
the Caribbean 2021**

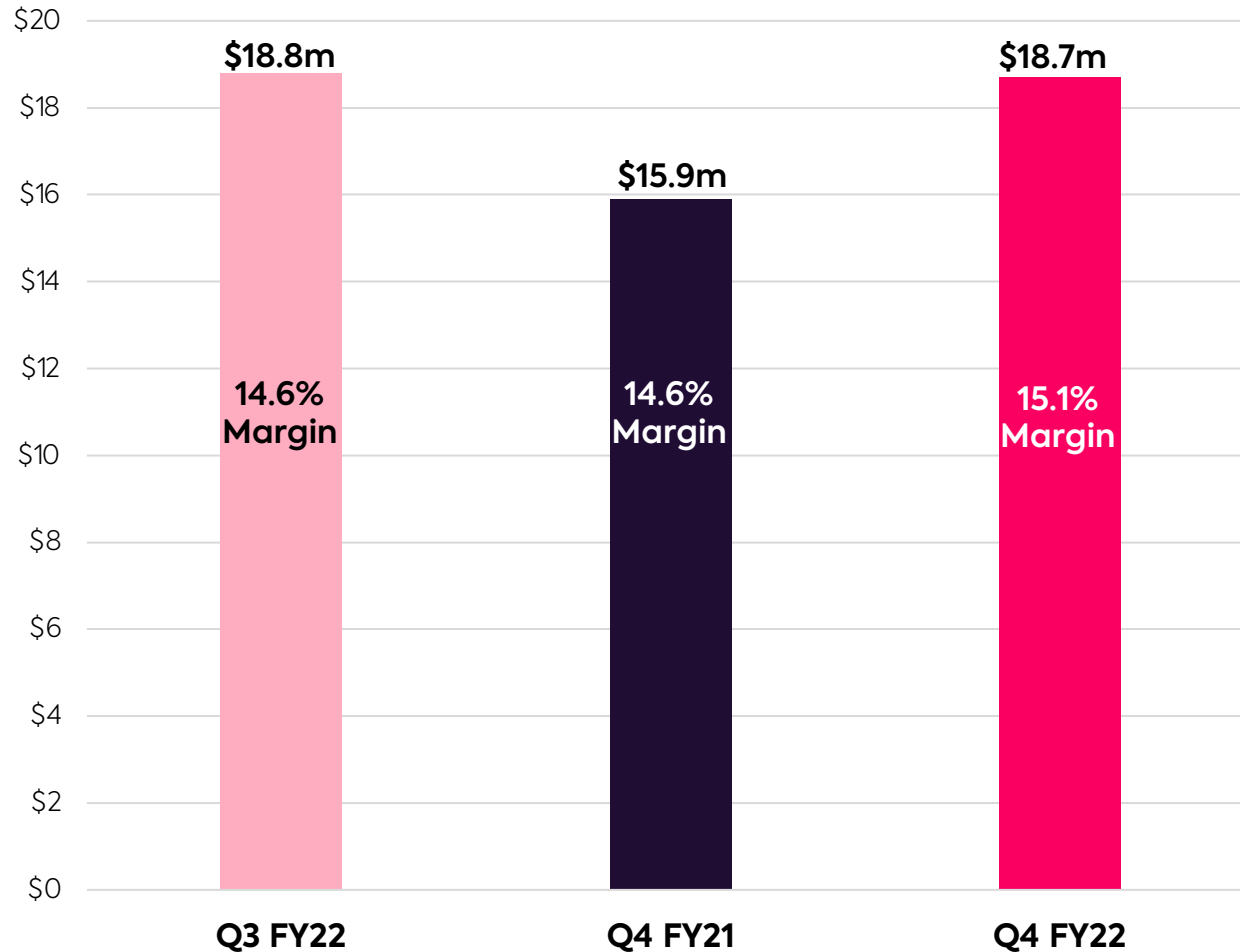


**Best Place to Work
for Women in Central
America and the
Caribbean 2021**



Adjusted EBITDA Margins Comparisons & FCF

Q4 Adjusted EBITDA (\$m)



- Adjusted EBITDA Margin increase to 15.1% from 14.6% in Q3 FY22 and \$2.9m higher from Q4 FY21
- Adjusted EBITDA margin +50 bps to prior year quarter and sequential
- Partnering with clients on Price Increase and COLA to offset wage inflation pressures
- Q4FY22 FCF of \$25.1m
- Margin and FCF improvement opportunities going forward

Capital Allocation

**Strong
Balance
Sheet**

\$48.8m Cash

**Revolver
Availability**

\$50.5m

**Strategic Site
Expansion
Completed**

**Opportunistic
M&A**

Lower CapEx requirements going forward*

Positioned for Strong FCF

74%
of our business is growing at a
high double-digit rate

Revenue Growth Accelerating
14% Q4
19% Q3
13% Q2

Revenue
\$545m - \$555m
11.4% Growth at Midpoint

Adjusted EBITDA
\$77m - \$79m
14.2% Margin at Midpoint

Capex: \$18m - \$22m

Q1 FY23:

Revenue: \$124m - \$127m (15.6% Growth at Midpoint)
Adjusted EBITDA: \$16.5m - \$18.5m (13.9% Margin at Midpoint)

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Financial Results

Karl Gabel
CFO



Revenue

\$123.7m
+13.6% YoY

- Continue to experience high growth in our clients won since FY16
- Growth in HealthTech & FinTech, Retail & E-commerce and Travel, Transportation & Logistics verticals

New From FY16 Client Revenue

+43% YoY

- Represents 74% of the total revenue (59% in Q4 FY21)

Legacy 3 Clients Revenue

\$18.5m or 15.0% of Total Revenue
Decline 40% YoY

- Strategically replaced lowest margin legacy client in Q4 with a new, fast growing HealthTech client

Net Income

\$4.9m
(\$4.0m Q4 FY21)

- Stronger operating results
- Decrease in non-recurring costs
- Deferred tax benefit recognized in the current quarter
- Partially offset by increased depreciation
- Negative impact from fair value measurement of share warrants

Adjusted Net Income \$7.9m

Q4 FY21 \$5.8m
+36% YoY

Adjusted Fully Diluted Earning per Share

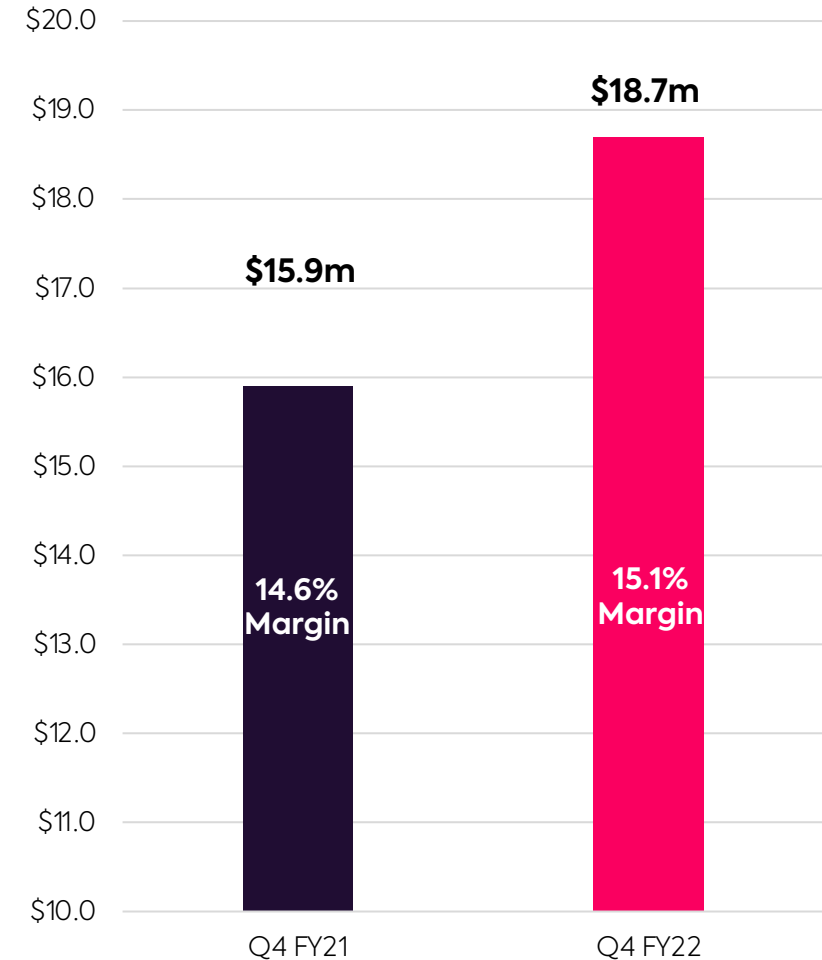
Q4 FY22 \$0.42 per share
Q4 FY21 \$0.31 per share
+35% YoY

Adjusted EBITDA

\$18.7m or 15.1% Margin
(Q4 FY21 \$15.9 or 14.6%)
(Q3 FY22 \$18.8 or 14.6%)

- Stronger operating results
- Tax benefit
- Partially offset by increased depreciation
- Increase in margin from growth in “new clients since FY16”
- Growth in higher margin nearshore and offshore regions

Q4 Adjusted EBITDA



Net Cash Generated from Operations

\$27.8m
Q4 FY21 \$1.8m

- Higher collections
- Stronger operating results
- Lower non-recurring expenses
- Lower cash taxes

DSO

55 Days
Q4 FY21 56 days
Q3 FY22 60 days

- DSO's well below industry average

Capital Expenditures

\$2.7m, 2.2% of Revenue
(Q4 FY21 \$5.0m, 4.5% of Revenue)

- We hit the inflection point of lower capex in Q4 FY22

Non-GAAP Free Cash Flow

\$25.1m
Q4 FY21 (-\$3.2m)

- Increased net operating cash along with lower Capex

Revenue

\$493.6m
+11.2% YoY

- New clients launched in fiscal year 2022, contributed ~\$49m

New From FY16 Client Revenue

\$342m, +49% YoY

- Represents 69% of the total revenue (52% in FY21)

Legacy Clients

\$96.4m or 19.5% of Total Revenue
Decline 36% YoY

- Legacy clients' Q4FY22 revenue was ~\$17m

Net Income

\$23.0m
(\$2.8m FY21)

- Stronger operating results
- Lower non-recurring expenses
- Positive impact from fair value adjustment of warrants
- Decrease in share-based payments expense
- Deferred tax benefit, partially offset by higher depreciation
- Annual effective tax rate normalized at ~10%

FY2022: Financial Highlights – Non-GAAP

Adjusted Net Income

\$24.6m

FY21 \$23.6m

+4% YoY

Adjusted Fully Diluted Earning per Share

FY22 \$1.32 per share

FY21 \$1.28 per share

+3% YoY

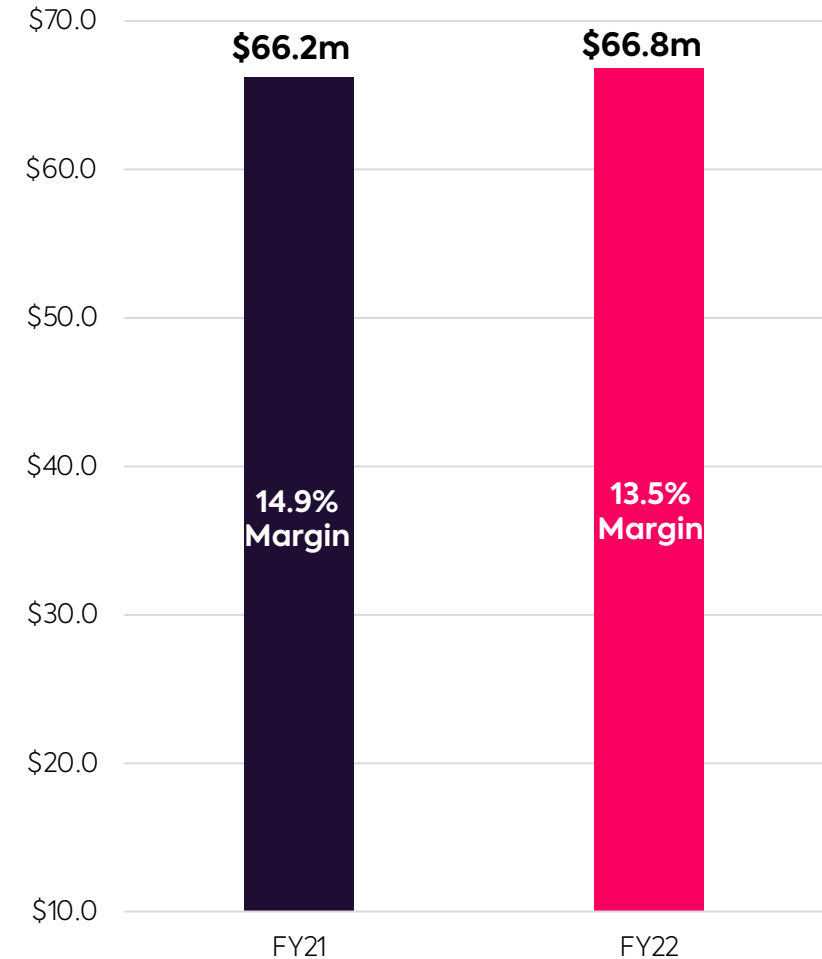
Adjusted EBITDA

\$66.8m or 13.5% Margin
(FY21 \$66.2 or 14.9%)

- Lower taxes partially offset by higher depreciation in the current year

- Margin decrease due to costs associated with ramping new business, particularly in first and fourth quarters of FY22

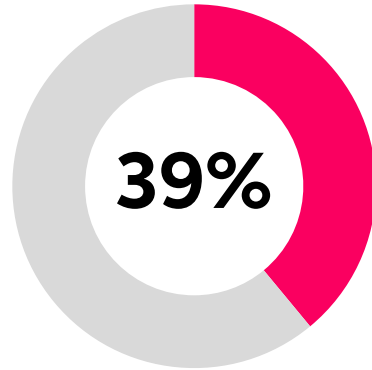
FY Adjusted EBITDA



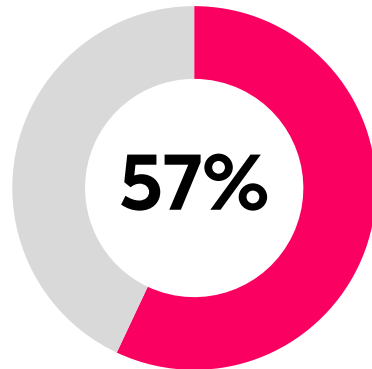
Revenue: Client Concentration

**FY'22 Client Statistics
(% of Revenue)**

Top 5 Clients

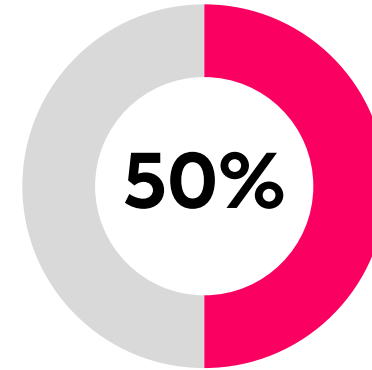


Top 10 Clients

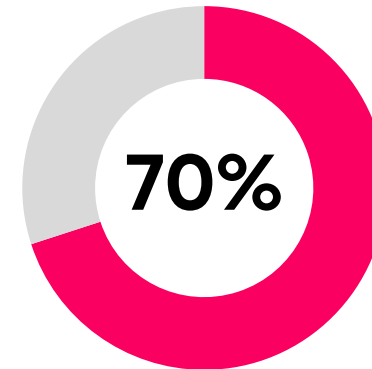


**FY'21 Client Statistics
(% of Revenue)**

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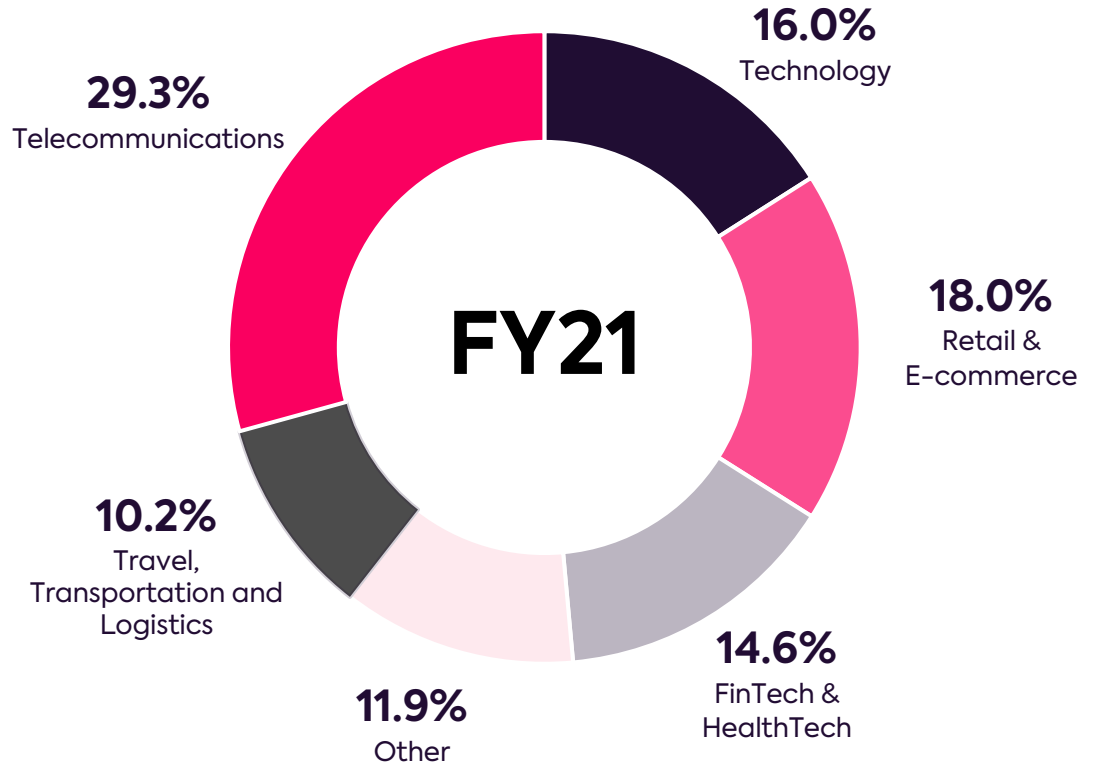
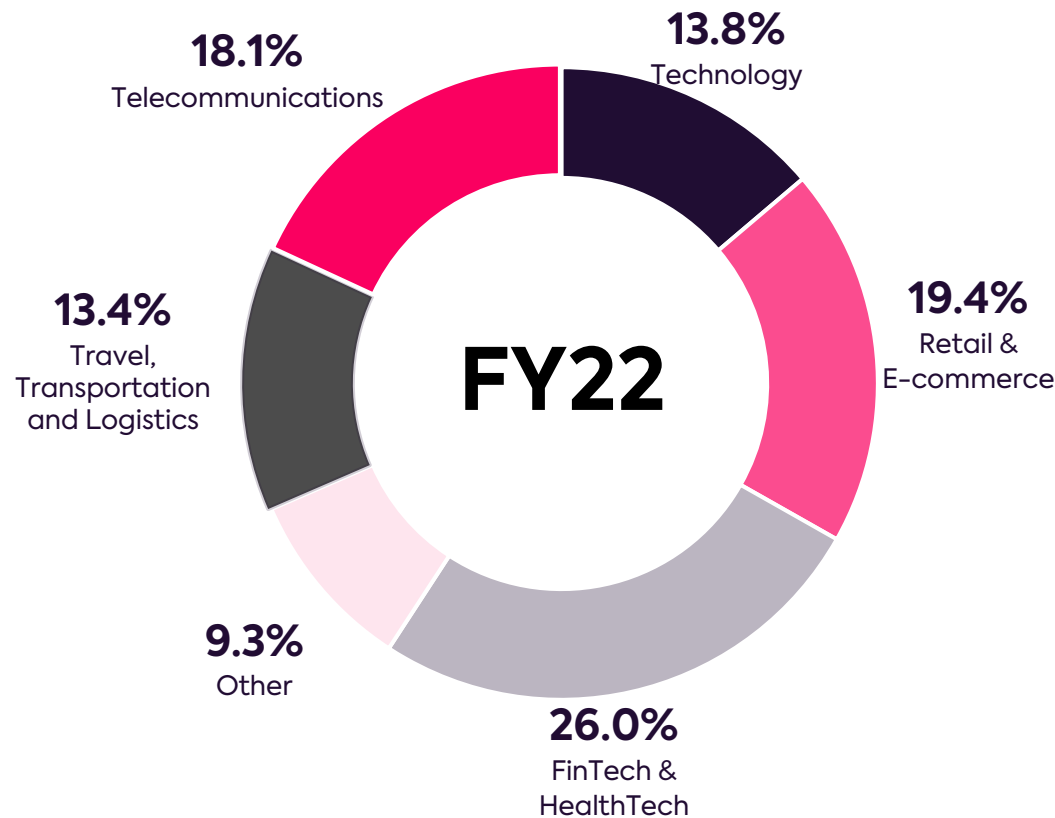


Top 10 Clients



Winning in Strategic Verticals

Significant Growth in Key Strategic Verticals
Telco Concentration under 20%



Net Cash Generated from Operations

\$50.1m
 FY21 \$25.9m
 (93%) YoY

- Stronger operating results
- Lower non-recurring expenses
- Improved working capital
- Lower cash taxes paid in fiscal year 2022

Capital Expenditures

\$25.9m, 5.3% of Revenue
 (FY21 \$20.8m, 4.7% of Revenue)

- Over 3,400 seats added in the year

Non-GAAP Free Cash Flow

\$24.2m
 (FY21 \$5.1m)

- Increase in net cash - operating activities to \$50.1m
- Partially offset by an increase in capital expenditures of \$5.1m

Capacity utilization

69%
 FY21 77%

- Invested in a socially distance environment
- Over 10,000 seats available to be utilized*

Cash and Cash Equivalents

\$48.8m

(June 30, 2021 \$57.8m)

- Borrowing availability under our revolving credit facilities was \$50.5m at June 2022 v. \$33.6m in the prior year

Borrowing and Lease Liabilities

\$104.7m

(June 30, 2021 \$112.5m)

- Borrowings \$15.0m (\$28.5m as of June 30, 2021)
- Lease liabilities \$89.7m (\$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 June 30		Twelve months ended June 30	
	2022	2021	2022	2021
<i>US\$ in thousands, except share and per share amounts</i>				
Net income/ (loss)	\$ 4,913	\$ 4,027	\$ 22,990	\$ 2,847
A Non-recurring expenses	1,502	2,364	3,256	10,203
B Amortization of warrant asset	88	(160)	250	517
Foreign currency translation (gain) / loss	(16)	(31)	(40)	198
C Fair value measurement of share warrants	1,298	(446)	(2,310)	9,732
D Share-based payments	549	517	1,851	4,521
E Gain on lease terminations	(73)	121	(150)	(923)
Total adjustments	\$ 3,348	2,365	\$ 2,857	\$ 24,248
Tax impact of adjustments	(383)	(618)	(1,226)	(3,519)
Adjusted net income	\$ 7,878	\$ 5,774	\$ 24,621	\$ 23,576
Net Income Margin	6.4%	5.3%	5%	5.3%

- A** FY21 primarily includes the COVID-19 transportation related expenses
FY22 includes COVID-19 transportation, severance and settlement expense
- 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 / (Loss) to Adjusted EBITDA

	Three months ended		Twelve months ended	
	June 30		June 30	
<i>US\$ in thousands</i>	2022	2021	2022	2021
Net income / (loss)	\$ 4,913	\$ 4,027	\$ 22,990	\$ 2,847
Finance expenses	2,202	2,111	8,797	9,034
Income tax expense	(1,034)	(164)	(1,987)	1,918
Depreciation and amortization	9,312	7,157	34,197	28,197
EBITDA	\$ 15,393	\$ 13,491	\$ 63,979	\$ 41,996
A Non-recurring expenses	1,502	2,364	3,256	10,203
B Amortization of warrant asset	88	(160)	250	517
Foreign currency translation (gain) / loss	(16)	(31)	(40)	198
C Fair value measurement of share warrants	1,278	(446)	(2,310)	9,732
D Share-based payments	549	517	1,851	4,521
E Gain on lease terminations	(73)	121	(150)	(923)
Adjusted EBITDA	\$ 18,741	\$ 15,856	\$ 66,836	\$ 66,244
Adjusted EBITDA Margin	15.1%	14.6%	13.5%	14.9%

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