



## Concentrix Reports Strong First Quarter 2021 Results Above Guidance, Expects Full-Year Double-Digit Revenue Growth

Fremont, Calif., March 24, 2021 – Concentrix Corporation (NASDAQ: CNXC), a leading global provider of customer experience (CX) solutions and technology, today announced financial results for the first quarter ended February 28, 2021.

|   | Three Months Ended |                   | Change  |
|---|--------------------|-------------------|---------|
|   | February 28, 2021  | February 29, 2020 |         |
| Revenue (\$M)   | \$ 1,353.3         | \$ 1,188.6        | 13.9 %  |
| Operating income (\$M)                                  | \$ 134.9           | \$ 88.2           | 52.9 %  |
| Non-GAAP operating income (\$M) <sup>(1)</sup>          | \$ 176.6           | \$ 144.8          | 22.0 %  |
| Operating margin  | 10.0 %             | 7.4 %             | 260 bps |
| Non-GAAP operating margin <sup>(1)</sup>                | 13.1 %             | 12.2 %            | 90 bps  |
| Net income (\$M)  | \$ 88.8            | \$ 52.3           | 69.8 %  |
| Non-GAAP net income (\$M) <sup>(1)</sup>                | \$ 120.0           | \$ 95.4           | 25.8 %  |
| Adjusted EBITDA (\$M) <sup>(1)</sup>                    | \$ 212.6           | \$ 176.5          | 20.5 %  |
| Adjusted EBITDA margin <sup>(1)</sup>                   | 15.7 %             | 14.8 %            | 90 bps  |
| Diluted earnings per share <sup>(2)</sup>               | \$ 1.69            | \$ 1.01           | 67.3 %  |
| Non-GAAP diluted earnings per share <sup>(1), (2)</sup> | \$ 2.29            | \$ 1.85           | 23.8 %  |

<sup>(1)</sup> See non-GAAP reconciliations included in the accompanying financial tables for the reconciliation of each non-GAAP measure to its most directly comparable GAAP measure.

<sup>(2)</sup> For the three months ended February 29, 2020, weighted average number of shares used for diluted EPS is based on the number of shares issued in connection with the spin-off of 51.6 million.

### First Quarter Fiscal 2021 Highlights:

- Revenue was \$1,353.3 million, up 13.9% from the prior year first quarter and 11.7% on a constant currency basis, compared with \$1,188.6 million in the prior year first quarter.
- Operating income was \$134.9 million, or 10.0% of revenue, compared with \$88.2 million, or 7.4% of revenue, in the prior year first quarter.
- Non-GAAP operating income was \$176.6 million, or 13.1% of revenue, compared with \$144.8 million, or 12.2% of revenue, in the prior year first quarter.
- Adjusted EBITDA was \$212.6 million, or 15.7% of revenue, compared with \$176.5 million, or 14.8% of revenue, in the prior year first quarter.

"We are successfully executing on our plan for above-market growth and margin expansion," said Chris Caldwell, Concentrix President and CEO. "The strength of our technology-infused global platform, deep domain expertise, and passion for the customer experience continues to resonate well with existing and new clients. Based upon our strong performance to date and looking forward with the increased demand across all the geographies and verticals we serve, we now expect to achieve constant-currency revenue growth of above 10 percent for fiscal 2021 with margins above pre-COVID levels."

### **Business Outlook**

The following statements are based on Concentrix' current expectations for the second quarter of fiscal 2021. Non-GAAP financial measures exclude the impact of acquisition-related and integration expenses, spin-off related expenses, the amortization of intangibles, depreciation, share-based compensation and the related tax effects thereon. These statements are forward-looking and actual results may differ materially.

#### Second Quarter Fiscal 2021 Expectations:

- Second-quarter revenue is expected to be in the range of \$1.33 billion to \$1.38 billion as reported.
- Second-quarter operating income is expected to be in the range of \$114 million to \$128 million and non-GAAP operating income is expected to be in the range of \$160 million to \$174 million.
- The effective tax rate is expected to approximate 27% to 28%.

### **Conference Call and Webcast**

Concentrix will host a conference call for investors to review its first quarter fiscal 2021 results tomorrow morning, Thursday, March 25, 2021 at 9:00 a.m. (ET)/6:00 a.m. (PT).

The live conference call will be webcast in listen-only mode in the Investor Relations section of the Concentrix website under "Events and Presentations" at <https://ir.concentrix.com/events-and-presentations>. A replay will also be available on the website following the conference call.

### **About Concentrix**

Concentrix Corporation (Nasdaq: CNXC), is a leading technology-enabled global business services company specializing in customer engagement and improving business performance for some of the world's best brands including over 95 Global Fortune 500 clients and over 90 global disruptor clients. Every day, from more than 40 countries and across 6 continents, our staff delivers next generation customer experience and helps companies better connect with their customers. We create better business outcomes and help differentiate our clients through technology, design, data, process, and people. Concentrix provides services to clients in our key industry verticals: technology & consumer electronics; retail, travel & ecommerce; banking, financial services & insurance; healthcare; communications & media; automotive; and energy & public sector. We are Different by Design. Visit [concentrix.com](https://concentrix.com) to learn more.

## Use of Non-GAAP Information

In addition to disclosing financial results that are determined in accordance with GAAP, we also disclose certain non-GAAP financial information, including:

- Constant currency revenue growth, which is revenue growth adjusted for the translation effect of foreign currencies so that certain financial results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of our business performance. Constant currency revenue growth is calculated by translating the revenue of each fiscal year in the billing currency using their comparable prior year's currency conversion rate in comparison to prior year's revenue. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates or adjusting for currency will be higher or lower than growth reported at actual exchange rates.
- Non-GAAP operating income, which is operating income, adjusted to exclude acquisition-related and integration expenses, including related restructuring costs, spin-off related expenses, amortization of intangible assets and share-based compensation.
- Non-GAAP operating margin, which is non-GAAP operating income, as defined above, divided by revenue.
- Adjusted earnings before interest, taxes, depreciation, and amortization, or adjusted EBITDA, which is non-GAAP operating income, as defined above, plus depreciation.
- Adjusted EBITDA margin, which is adjusted EBITDA, as defined above, divided by revenue.
- Free cash flow, which is cash flows from operating activities less capital expenditures. We believe that free cash flow is a meaningful measure of cash flows since capital expenditures are a necessary component of ongoing operations. However, free cash flow has limitations because it does not represent the residual cash flow available for discretionary expenditures. For example, free cash flow does not incorporate payments for business acquisitions.
- Non-GAAP diluted earnings per common share ("EPS"), which is diluted EPS excluding the per share, tax effected impact of acquisition-related and integration expenses, including related restructuring costs, spin-off related expenses, amortization of intangible assets and share-based compensation.

We believe that providing this additional information is useful to the reader to better assess and understand our base operating performance, especially when comparing results with previous periods and for planning and forecasting in future periods, primarily because management typically monitors the business adjusted for these items in addition to GAAP results. Management also uses these non-GAAP measures to establish operational goals and, in some cases, for measuring performance for compensation purposes. These non-GAAP financial measures exclude amortization of intangible assets. Although intangible assets contribute to our revenue generation, the amortization of intangible assets does not directly relate to the services performed for our clients. Additionally, intangible asset amortization expense typically fluctuates based on the size and timing of our acquisition activity. Accordingly, we believe excluding the

amortization of intangible assets, along with the other non-GAAP adjustments which neither relate to the ordinary course of our business nor reflect our underlying business performance, enhances our and our investors' ability to compare our past financial performance with its current performance and to analyze underlying business performance and trends. These non-GAAP financial measures also exclude share-based compensation expense. Given the subjective assumptions and the variety of award types that companies can use when calculating share-based compensation expense, management believes this additional information allows investors to make additional comparisons between our operating results and those of our peers. As these non-GAAP financial measures are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be used as a complement to, and in conjunction with, data presented in accordance with GAAP.

### **Safe Harbor Statement**

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include, but are not limited to, statements regarding the Company's expected future financial condition, results of operations, including revenue and operating income, effective tax rate, cash flows, leverage, liquidity, business strategy, growth, margin expansion and statements that include words such as believe, expect, may, will, provide, could and should and other similar expressions. These forward-looking statements are inherently uncertain and involve substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Risks and uncertainties include, among other things: risks related to general economic conditions, including uncertainty related to the COVID-19 pandemic and its impact on the global economy; the level of outsourced business services; the level of business activity of the Company's clients and the market acceptance and performance of their products and services; consolidation of the Company's competitors; competitive conditions in the Company's industry; currency exchange rate fluctuations; variability in demand by the Company's clients or the early termination of the Company's client contracts; competition in the customer experience solutions industry; political and economic stability in the countries in which the Company operates; the outbreak of communicable disease or other public health crises; cyberattacks on the Company's networks and information technology systems; the inability to protect personal and proprietary information; increases in the cost of labor; the operability of the Company's communication services and information technology systems and networks; changes in law, regulations or regulatory guidance; investigative or legal actions; the loss of key personnel; natural disasters, adverse weather conditions, terrorist attacks, work stoppages or other business disruptions; and other factors contained in the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2020 filed with the Securities and Exchange Commission and subsequent SEC filings. The Company does not undertake a duty to update forward-looking statements, which speak only as of the date on which they are made.

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**CONCENTRIX CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(currency and share amounts in thousands, except par value)  
(Amounts may not add due to rounding)

|   | February 28,<br>2021 | November 30,<br>2020 |
|---|----------------------|----------------------|
|   | (unaudited)          |                      |
| <b>ASSETS</b>   |                      |                      |
| Current assets:   |                      |                      |
| Cash and cash equivalents   | \$ 117,576           | \$ 152,656           |
| Accounts receivable, net  | 1,129,008            | 1,081,481            |
| Other current assets  | 160,720              | 189,239              |
| Total current assets  | 1,407,304            | 1,423,376            |
| Property and equipment, net   | 445,286              | 451,649              |
| Goodwill  | 1,837,921            | 1,836,050            |
| Intangible assets, net  | 769,149              | 798,959              |
| Deferred tax assets   | 49,480               | 47,423               |
| Other assets  | 611,709              | 620,099              |
| Total assets  | <u>\$ 5,120,849</u>  | <u>\$ 5,177,556</u>  |
| <b>LIABILITIES AND EQUITY</b>   |                      |                      |
| Current liabilities:  |                      |                      |
| Accounts payable  | \$ 101,215           | \$ 140,575           |
| Current portion of long-term debt   | —                    | 33,750               |
| Payable to former parent  | —                    | 22,825               |
| Accrued compensation and benefits   | 365,272              | 419,715              |
| Other accrued liabilities   | 373,180              | 371,072              |
| Income taxes payable  | 37,909               | 20,725               |
| Total current liabilities   | 877,576              | 1,008,662            |
| Long-term debt, net   | 1,113,218            | 1,111,362            |
| Other long-term liabilities   | 598,314              | 601,887              |
| Deferred tax liabilities  | 142,463              | 153,560              |
| Total liabilities   | <u>2,731,571</u>     | <u>2,875,471</u>     |
| Stockholders' equity:   |                      |                      |
| Preferred stock, \$0.0001 par value, 10,000 shares authorized as of February 28, 2021; no shares issued and outstanding as of February 28, 2021   | —                    | —                    |
| Common stock, \$0.0001 par value, 250,000 shares authorized as of February 28, 2021; 51,214 shares issued and outstanding as of February 28, 2021 | 5                    | —                    |
| Additional paid-in capital  | 2,314,996            | —                    |
| Treasury stock, 4 shares as of February 28, 2021  | (409)                | —                    |
| Retained earnings   | 88,811               | —                    |
| Former parent company investment  | —                    | 2,305,899            |
| Accumulated other comprehensive loss  | (14,125)             | (3,814)              |
| Total stockholders' equity  | <u>2,389,278</u>     | <u>2,302,085</u>     |
| Total liabilities and stockholders' equity  | <u>\$ 5,120,849</u>  | <u>\$ 5,177,556</u>  |

**CONCENTRIX CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(currency and share amounts in thousands, except per share amounts)  
(Amounts may not add due to rounding)  
(unaudited)

|  | <b>Three Months Ended</b>    |                              | <b>%<br/>Change</b> |
|--|------------------------------|------------------------------|---------------------|
|  | <b>February 28,<br/>2021</b> | <b>February 29,<br/>2020</b> |                     |
| Revenue                                      |                              |                              |                     |
| Technology and consumer electronics          | \$ 412,818                   | \$ 323,913                   | 27 %                |
| Communications and media                     | 248,790                      | 263,564                      | (6)%                |
| Retail, travel and ecommerce                 | 239,001                      | 198,914                      | 20 %                |
| Banking, financial services and insurance    | 209,084                      | 192,703                      | 9 %                 |
| Healthcare                                   | 125,224                      | 97,325                       | 29 %                |
| Other  | 118,361                      | 112,201                      | 5 %                 |
| Total revenue                                | <u>1,353,278</u>             | <u>1,188,619</u>             | 14 %                |
| Cost of revenue                              | <u>867,228</u>               | <u>743,429</u>               | 17 %                |
| Gross profit                                 | 486,050                      | 445,190                      | 9 %                 |
| Selling, general and administrative expenses | <u>(351,161)</u>             | <u>(356,979)</u>             | (2)%                |
| Operating income                             | 134,889                      | 88,211                       | 53 %                |
| Interest expense and finance charges, net    | (7,703)                      | (17,585)                     | (56)%               |
| Other (expense) income, net                  | (3,803)                      | 3,235                        | (218)%              |
| Income before income taxes                   | <u>123,383</u>               | <u>73,861</u>                | 67 %                |
| Provision for income taxes                   | <u>(34,572)</u>              | <u>(21,544)</u>              | 60 %                |
| Net income                                   | <u>\$ 88,811</u>             | <u>\$ 52,317</u>             | 70 %                |
| Earnings per common share:                   |                              |                              |                     |
| Basic  | <u>\$ 1.72</u>               | <u>\$ 1.01</u>               |                     |
| Diluted                                      | <u>\$ 1.69</u>               | <u>\$ 1.01</u>               |                     |
| Weighted-average common shares outstanding   |                              |                              |                     |
| Basic  | <u>51,155</u>                | <u>51,602</u>                |                     |
| Diluted                                      | <u>51,805</u>                | <u>51,602</u>                |                     |

**CONCENTRIX CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP MEASURES**  
(currency and share amounts in thousands, except per share amounts)  
(Amounts may not add due to rounding)  
(unaudited)

|   | <b>Three Months Ended</b> |                          |
|---|---------------------------|--------------------------|
|   | <b>February 28, 2021</b>  | <b>February 29, 2020</b> |
| Revenue                                     | \$ 1,353,278              | \$ 1,188,619             |
| Revenue growth, as reported under U.S. GAAP | 13.9 %                    | 1.3 %                    |
| Foreign exchange impact                     | (2.2)%                    | 0.6 %                    |
| Constant currency revenue growth            | 11.7 %                    | 1.9 %                    |

|  | <b>Three Months Ended</b> |                          |
|--|---------------------------|--------------------------|
|  | <b>February 28, 2021</b>  | <b>February 29, 2020</b> |
| Operating income                             | \$ 134,889                | \$ 88,211                |
| Acquisition-related and integration expenses | —                         | 14,352                   |
| Spin-off related expenses                    | —                         | 1,000                    |
| Amortization of intangibles                  | 34,601                    | 36,978                   |
| Share-based compensation                     | 7,118                     | 4,262                    |
| Non-GAAP operating income                    | \$ 176,608                | \$ 144,803               |

|  | <b>Three Months Ended</b> |                          |
|--|---------------------------|--------------------------|
|  | <b>February 28, 2021</b>  | <b>February 29, 2020</b> |
| Net income   | \$ 88,811                 | \$ 52,317                |
| Interest expense and finance charges, net  | 7,703                     | 17,585                   |
| Provision for income taxes   | 34,572                    | 21,544                   |
| Other expense (income), net  | 3,803                     | (3,235)                  |
| Acquisition-related and integration expenses   | —                         | 14,352                   |
| Spin-off related expenses  | —                         | 1,000                    |
| Amortization of intangibles  | 34,601                    | 36,978                   |
| Share-based compensation   | 7,118                     | 4,262                    |
| Depreciation (excluding accelerated depreciation included in acquisition-related and integration expenses above) | 35,999                    | 31,661                   |
| Adjusted EBITDA  | \$ 212,607                | \$ 176,464               |

|                           | <b>Three Months Ended</b> |                          |
|---------------------------|---------------------------|--------------------------|
|                           | <b>February 28, 2021</b>  | <b>February 29, 2020</b> |
| Operating margin          | 10.0 %                    | 7.4 %                    |
| Non-GAAP operating margin | 13.1 %                    | 12.2 %                   |
| Adjusted EBITDA margin    | 15.7 %                    | 14.8 %                   |

|  | <b>Three Months Ended</b> |                          |
|--|---------------------------|--------------------------|
|  | <b>February 28, 2021</b>  | <b>February 29, 2020</b> |
| Net income                                       | \$ 88,811                 | \$ 52,317                |
| Acquisition-related and integration expenses     | —                         | 14,352                   |
| Spin-off related expenses                        | —                         | 1,000                    |
| Amortization of intangibles                      | 34,601                    | 36,978                   |
| Share-based compensation                         | 7,118                     | 4,262                    |
| Income taxes related to the above <sup>(1)</sup> | (10,567)                  | (13,469)                 |
| Non-GAAP net income                              | \$ 119,963                | \$ 95,440                |

|  | <b>Three Months Ended</b> |                          |
|--|---------------------------|--------------------------|
|  | <b>February 28, 2021</b>  | <b>February 29, 2020</b> |
| Net income   | \$ 88,811                 | \$ 52,317                |
| Less: net income allocated to participating securities   | (1,047)                   | —                        |
| Net income attributable to common stockholders   | 87,764                    | 52,317                   |
| Acquisition-related, integration, and spin-off related expenses allocated to common stockholders | —                         | 14,352                   |
| Spin-off related expenses allocated to common stockholders                                       | —                         | 1,000                    |
| Amortization of intangibles allocated to common stockholders                                     | 34,193                    | 36,978                   |
| Share-based compensation allocated to common stockholders  | 7,034                     | 4,262                    |
| Income taxes related to the above allocated to common stockholders <sup>(1)</sup>                | (10,442)                  | (13,469)                 |
| Non-GAAP net income attributable to common stockholders  | \$ 118,549                | \$ 95,440                |

|   | <b>Three Months Ended</b> |                          |
|---|---------------------------|--------------------------|
|   | <b>February 28, 2021</b>  | <b>February 29, 2020</b> |
| Diluted earnings per common share (“EPS”) <sup>(2)</sup>          | \$ 1.69                   | \$ 1.01                  |
| Acquisition-related and integration expenses                      | —                         | 0.28                     |
| Spin-off related expenses   | —                         | 0.02                     |
| Amortization of intangibles                                       | 0.66                      | 0.72                     |
| Share-based compensation  | 0.14                      | 0.08                     |
| Income taxes related to the above <sup>(1)</sup>                  | (0.20)                    | (0.26)                   |
| Non-GAAP diluted EPS  | \$ 2.29                   | \$ 1.85                  |
| Weighted-average number of common shares - diluted <sup>(3)</sup> | 51,805                    | 51,602                   |

|   | <b>Three Months Ended</b> |                          |
|---|---------------------------|--------------------------|
|   | <b>February 28, 2021</b>  | <b>February 29, 2020</b> |
| Net cash provided by operating activities | \$ 35,884                 | \$ 54,886                |
| Purchases of property and equipment       | (41,950)                  | (43,888)                 |
| Free cash flow                            | \$ (6,066)                | \$ 10,998                |

|  | <b>Forecast</b>                         |             |
|--|---|-------------|
|  | <b>Three Months Ending May 31, 2021</b> |             |
|  | <b>Low</b>                              | <b>High</b> |
| Operating income                         | \$ 114,000                              | \$ 128,000  |
| Amortization of intangibles              | 35,000                                  | 35,000      |
| Share-based compensation                 | 11,000                                  | 11,000      |
| Non-GAAP operating income <sup>(4)</sup> | \$ 160,000                              | \$ 174,000  |

<sup>(1)</sup> The tax effect of taxable and deductible non-GAAP adjustments was calculated using the tax-deductible portion of the expenses and applying the entity-specific, statutory tax rates applicable to each item during the respective periods presented.

<sup>(2)</sup> Diluted earnings per share ("EPS") is calculated using the two-class method post spin-off. Unvested restricted stock awards granted to employees are considered participating securities. For the purposes of calculating diluted EPS, net income attributable to participating securities was approximately 1% of net income for the three months ended February 28, 2021 and was excluded from total net income to calculate net income attributable to common stockholders. In addition, the non-GAAP adjustments allocated to common stockholders were calculated based on the percentage of net income attributable to common stockholders.

<sup>(3)</sup> Weighted-average number of shares used for diluted EPS for the first quarter ended February 29, 2020 is based on the number of shares issued in connection with the spin-off of 51.6 million.

<sup>(4)</sup> Adjustments related to spin-off related expenses are not expected to be material for the three months ending May 31, 2021. Adjustments related to acquisition-related and integration expenses for the three months ending May 31, 2021 cannot be quantified due to the forward-looking nature of the adjustments and their inherent variability.