



# ISG Investor Presentation

NOVEMBER 2020

imagine your future<sup>®</sup>

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# ISG: Who We Are

A leading global technology research and advisory firm

Founded in

**2006**

Nasdaq: III

**700+**

Blue Chip Clients

**1,300**

Employees

Operating in

**20+**

Countries

**Experts**

Operational  
Improvement &  
Performance

**Go-To-Firm**

Technology Research  
Digital Transformation  
Digital Sourcing

Fast-Growing

**RPA**

Division

Industry-Leading

**Data**

Drives All  
our Work

# ISG: By the Numbers

Revenue<sup>1</sup>

**\$248**

Million

Adj. EBITDA<sup>1</sup>

**\$29**

Million

CapEx

**\$3**

Million

Free Cash Flow<sup>2</sup>

**\$26**

Million

**75+**

of the World's  
Top 100 Enterprises  
Choose ISG

**\$29B**

In Client Savings<sup>3</sup>

**\$150B**

Advised Sourcing<sup>3</sup>

Re-occurring  
Revenue<sup>4</sup>

**85%**

- (1) September 2020 LTM
- (2) Defined as Adj. EBITDA – CapEx
- (3) Since 2010
- (4) Share of total firm revenue from repeat clients

# ISG Solutions

Research	Subscription and custom technology/market research and events
Benchmarking	World's largest source of validated IT performance and pricing metrics
Consulting	Data & analytics, strategy, execution, OCM, network, digital
GovernX	Governance of third-party supplier relationships to maximize savings and value
Automation	Advisory and subscription-based automation services and software
Software	Platform services, subscription software, advisory services

**Buyers: C-Suite, Technology, Services**

# ISG Client Case Study: Global Manufacturing

1. ISG initially provided a **Global Network Assessment** to reduce cost and transform the environment.
2. Led to broader strategy and several sourcing transactions centered around **Network Services, End User Computing and Data Center Hosting**
3. **Software** reviewed and cost optimization followed by **RPA Automation** of more than 20 processes in procurement and finance; followed **by Organization Change Management (OCM)** wrapper to help organization manage all the technology change
4. Implementation of several **Managed Services** processes and an agreement for steady state managed services

Service Line	Revenues (\$Mil)	% of Total
Data & Analytics	\$300 K	6%
Strategy & Sourcing	1.5 M	28%
Network & Software	400 K	8%
RPA Automation	800 K	9%
OCM	700 K	14%
Managed Services	1.8 M	35%
<b>Total</b>	<b>\$5.5 M</b>	<b>100%</b>

# ISG Automation Services – Business Case Example

## A client function with typical ratio of manual / automated processes

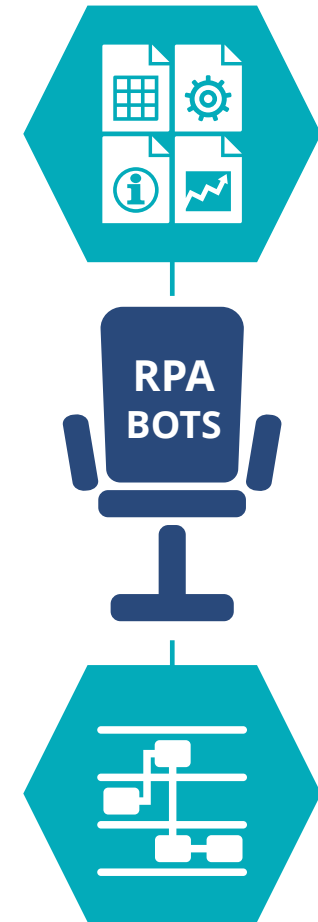
- 100 FTEs; avg. fully loaded annual cost of \$50K/FTE (\$5M/annually)

## Potential annual savings (\$1.5M)

- Identify 15 processes in scope for RPA (avg. 2 FTE per process)
- Headcount reduction of 30 FTEs (\$1.5M in cost savings)
- Increased speed, quality, availability, scalability, auditability and BI

## Potential ISG fees \$750K

- Services (\$300k)
  - \$25K for assessment
  - \$50K for strategy
  - \$50K for training client's internal team (assume 3-5 FTEs)
  - \$175K for ISG to implement top 3 most impactful processes
- Recurring Revenue (\$450k) - \$150K annual cost for 10 robots x 3-year licenses (to replace 30 FTEs)



# Digital Stories

## Top 5 Automobile Company

### Began As Big Data & Insights Journey That Led To.....

Application Layer for this auto client Big Data and Analytics practice  
Parallel execution of 7 RFPs ,7 different Provider ecosystems  
Focus on AI and Cloud Orchestration

## International Engineering & Services Company

### Scaling Delivery of Digital Products

Transformation from established, regulation-driven to IoT-driven  
Designed vision & agile organization for swift introduction of Digital Products  
Common architecture and semantics across all Digital initiatives

## Luxury Fitness Company

### Future State Design Of Their Internal Cloud Organization

Designing technology & operational transformation playbook  
Reviewing & advising migration architecture & plans  
Reviewing & advising BCP plans



# Strategic Partner to Enable Growth – COVID Impact

Positioning our Clients As Leaders As We Emerge Into The Inevitable Recovery

Resolve

Deploy **Cost Take-out, Remote, Cloud** in all operational components

Invent

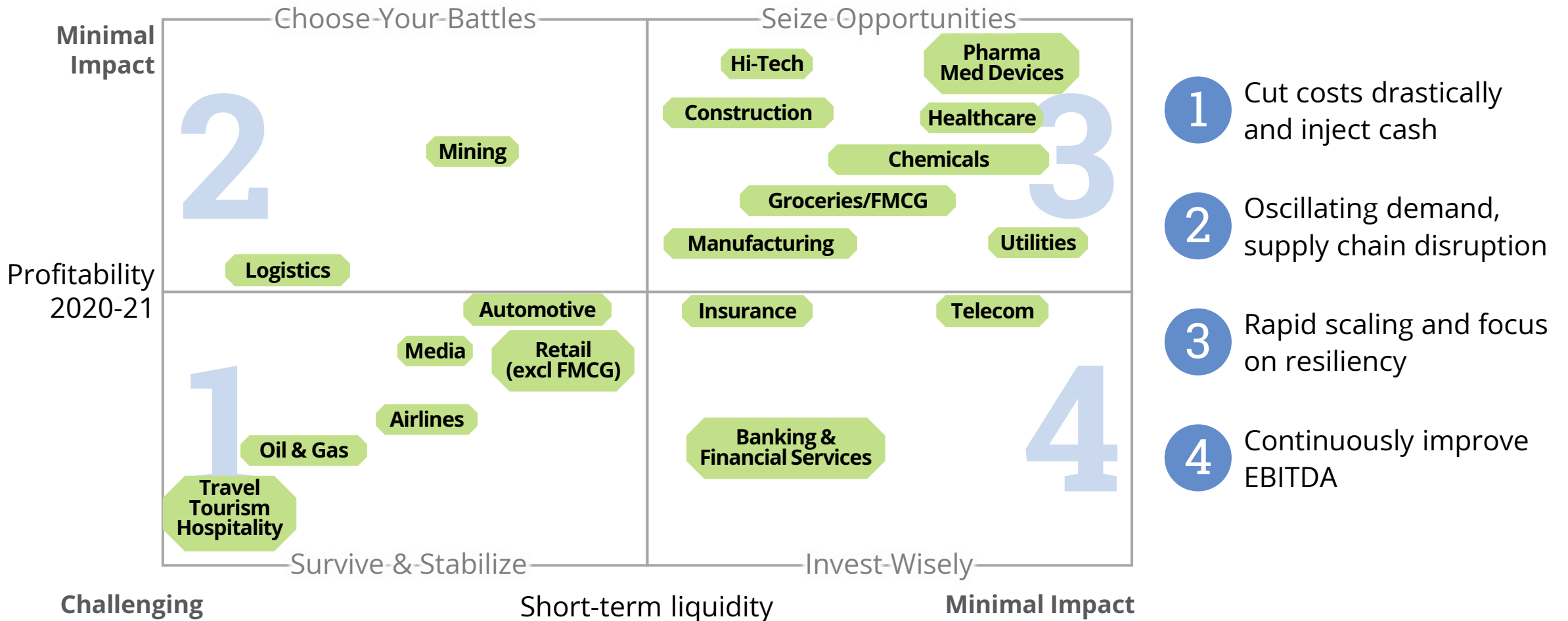
Architect **Digital Transformation** geared for The **New Future**

Scale

Create **Sustainability** and drive **Cultural Change** for speed and resilience

# Each Industry is Feeling This Crisis in a Different Way

## Top of Mind Business Problem Across Segments



# The New Future

The Crisis is a Catalyst for Permanent Change in How We Live and Work

A More **Virtual** World



Sustained **Reset Of Cost** Structure



Built In **Resilience** For The Next Crisis



# The ISG Competitive Advantage

**Independence**  
and **Objectivity**

**Global**  
Reach

Proprietary  
**Data Assets**  
and Market  
Intelligence

Domain  
**Expertise**

**Financial**  
**Strength**  
with Demonstrable  
M&A Experience

Strong and  
Growing  
**Brand**

**Entrepreneurial**  
**Spirit** Yielding  
New and More  
Valuable Services

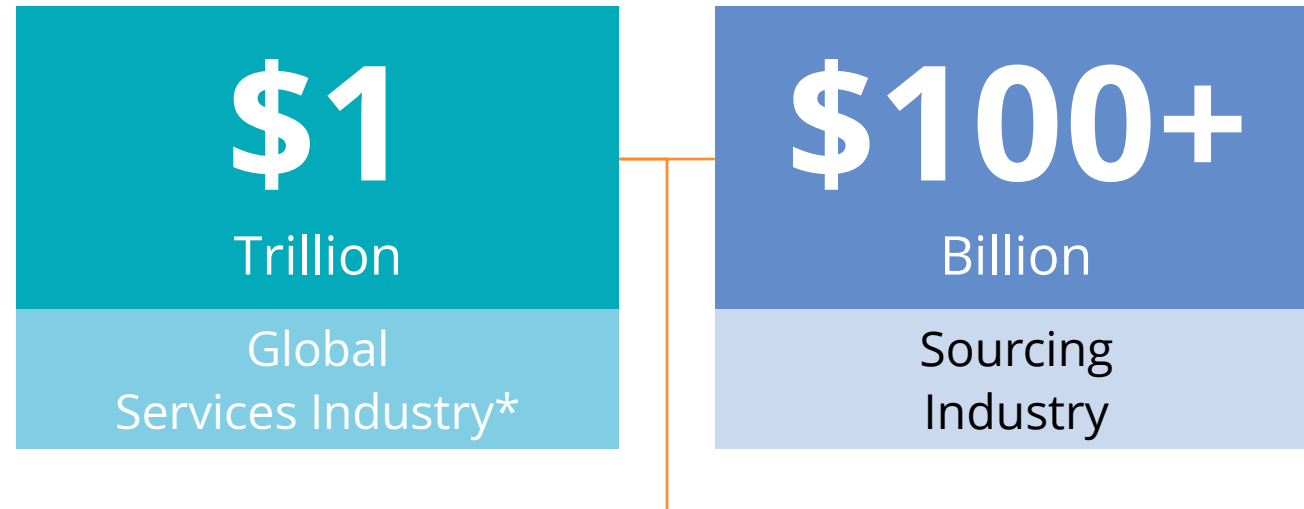
Deep, **Trusted**  
**Relationships**  
With our Clients

# ISG Competitive Landscape

No one competitor has the breadth of **ISG offerings**.



# ISG Addressable Market

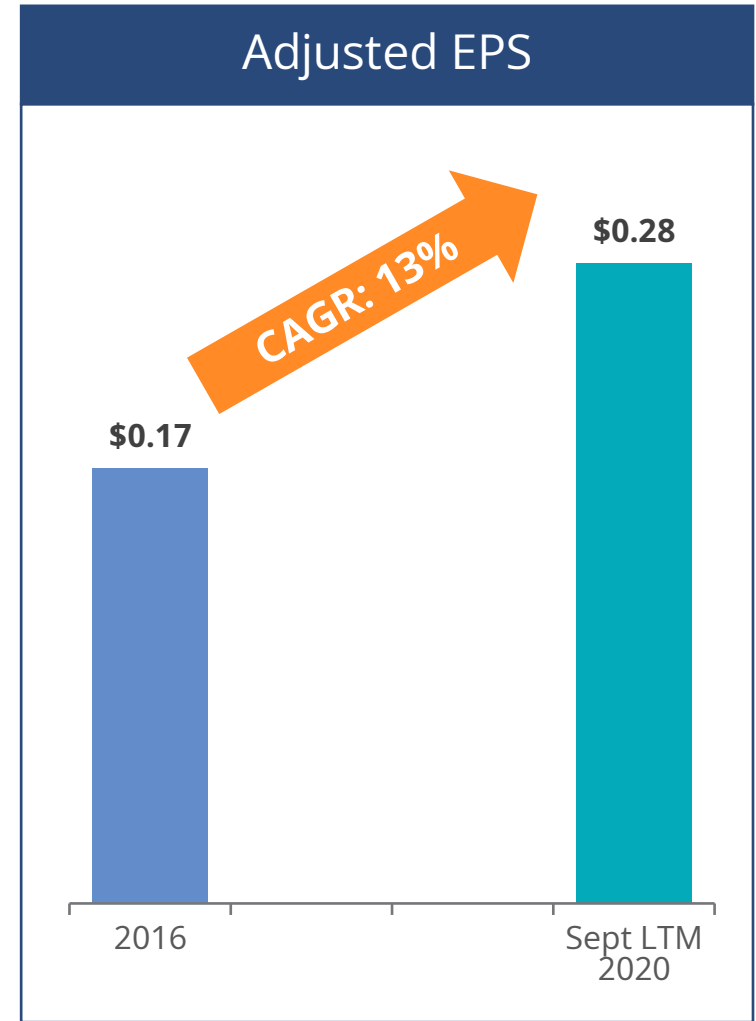
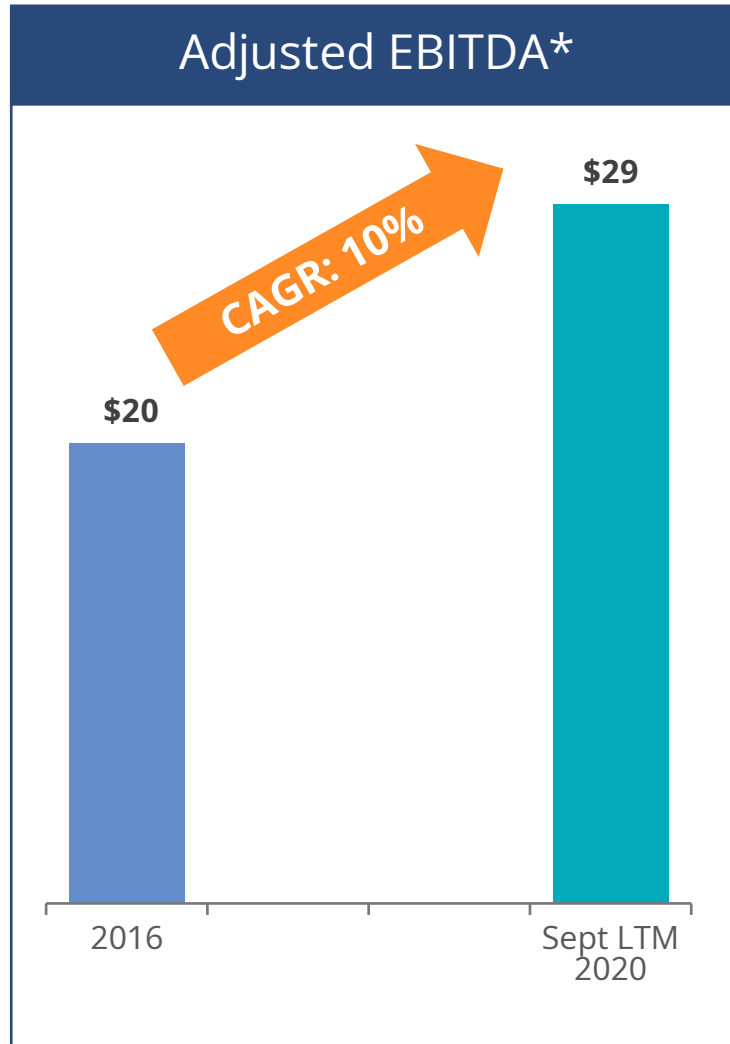
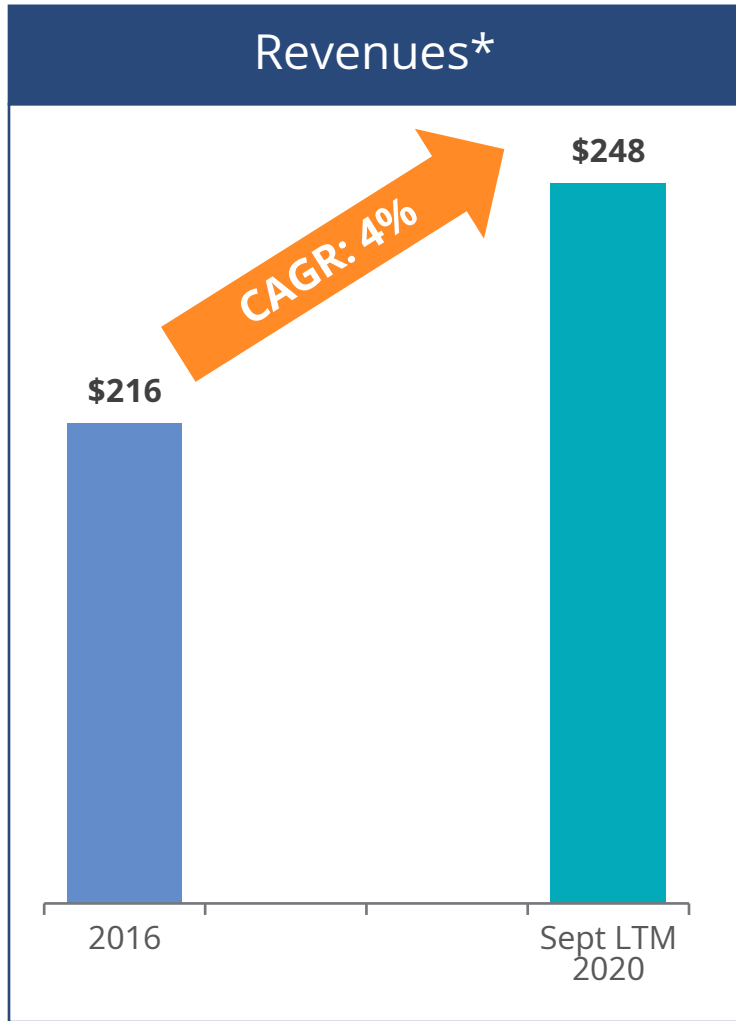


More than 600 Service and Technology Providers including:

USA-Based	Europe-Based	India-Based
   	   	   

\*Growing faster than GDP

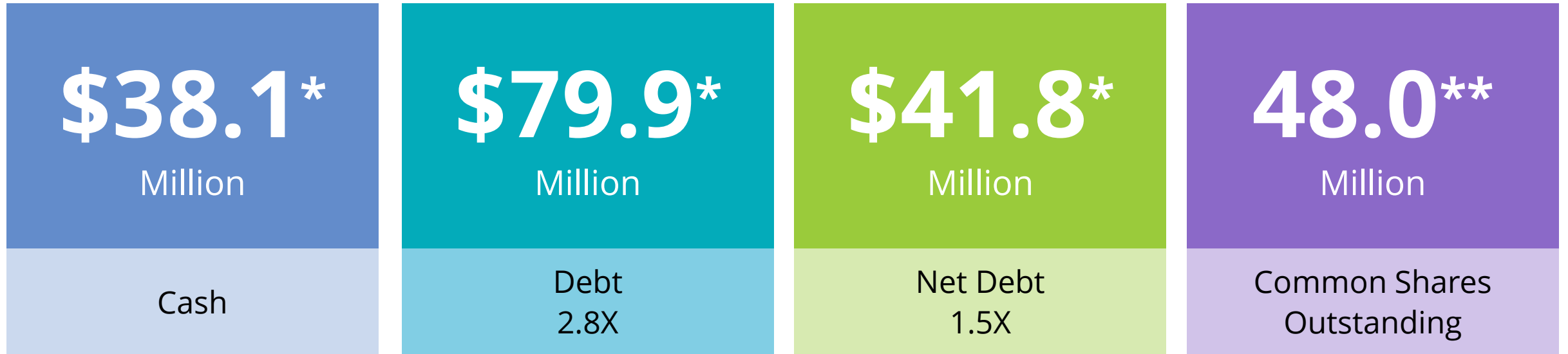
# ISG Financials



\*Note: values are in millions of dollars

# ISG Capital Structure

We will continue to use our free cash flow to de-leverage our balance sheet, repurchase shares and make acquisitions

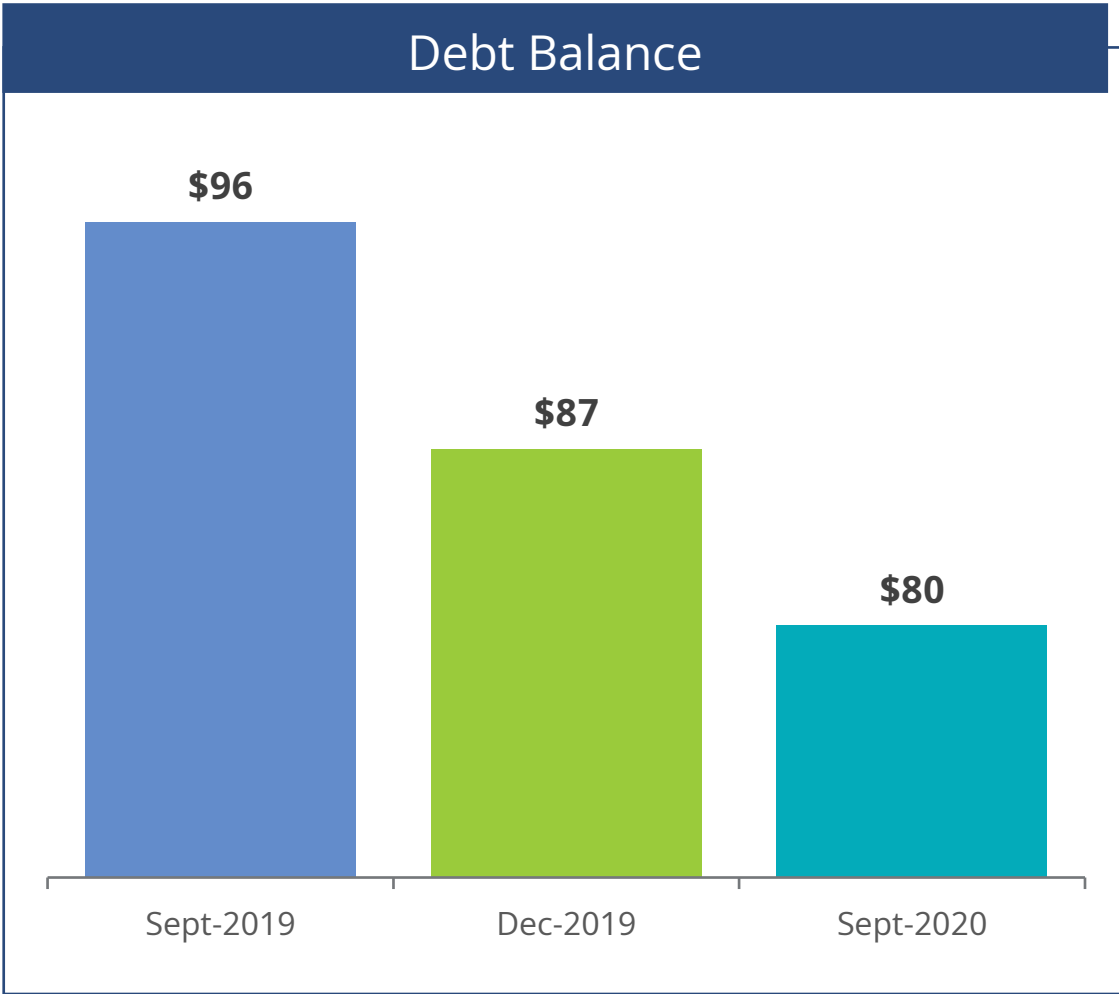
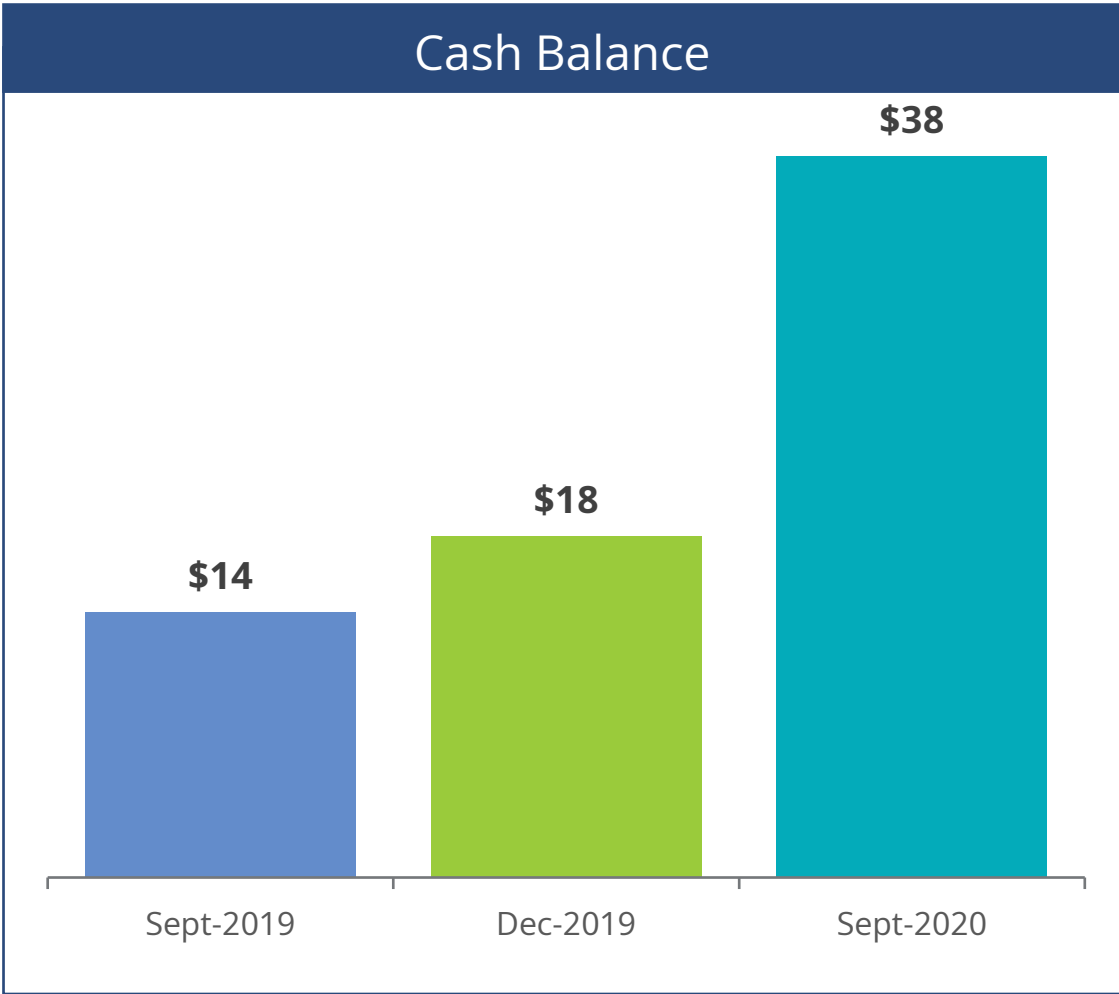


\* as of September 30, 2020

\*\* as of October 31, 2020



# Cash & Debt Balance- Generated LTM \$52M in Cashflow



\*Note: All values are in millions of dollars

# ISG Investment Thesis

## Management Team With Strong Track Record

- Experts in operating global entities, sourcing and executing M&A and integration
- Backgrounds include Nielsen, IBM, HP, Gartner

## Growth Plan In Place

- Digital revenues: 45%+
- Recurring revenues: \$100 million multi-year target
- High single-digit revenue growth and adjusted EBITDA growth at 1.5x revenue growth over time

## Blue Chip Board of Directors

- McKinsey, private equity, financial services, CIO

## Growth Driven by Recurring Revenue, Changing Technology Landscape

- Cloud, digital, automation/RPA; industry disruption; leveraging our business model

## Prudent Track Record of Use of Capital

- Buybacks, debt repayment, acquisitions, special dividend



ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including more than 70 of the top 100 enterprises in the world, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

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