



IDT Corporation

Investor Presentation

13th Annual Southwest IDEAS Investor Conference

November 2021

Forward-Looking Statements



All statements in this presentation that are not purely about historical facts, including, but not limited to, those in which we use the words “believe,” “anticipate,” “expect,” “plan,” “intend,” “estimate,” “target” and similar expressions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

While these forward-looking statements represent our current judgment of what may happen in the future, actual results may differ materially from the results expressed or implied by these statements due to numerous important factors.

Our filings with the SEC provide detailed information on such statements and risks, and should be consulted along with this presentation.

To the extent permitted under applicable law, IDT assumes no obligation to update any forward-looking statements.

net2phone

Cloud communications
for business

net2phone.com



Mobile top-up, banking
and other early initiatives



**NATIONAL
RETAIL
SOLUTIONS**

POS and payment
platform services

nrsplus.com



Retail calling

bossrevolution.com
bossrevolutionmobile.com



**BOSS
REVOLUTION**



International remittances
and neobanking

bossrevolution.com

IDT global

Carrier services and
wholesale provisioning

idtcarrierservices.com
idtexpress.com
byoc.io

From \$54 million to \$4.6 BILLION¹

Today



Financial Strength → Strategic Flexibility



\$1.59 B Market Cap

+\$560% year over year³

Balance Sheet

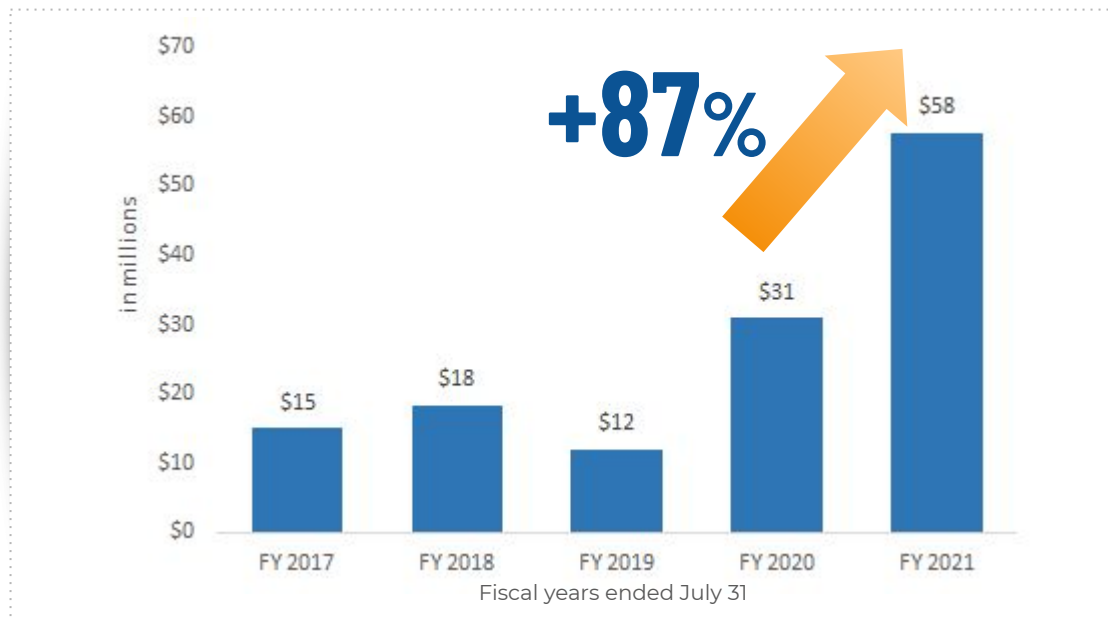


\$161 MM Cash +
Near Cash⁴

+\$52 MM⁵

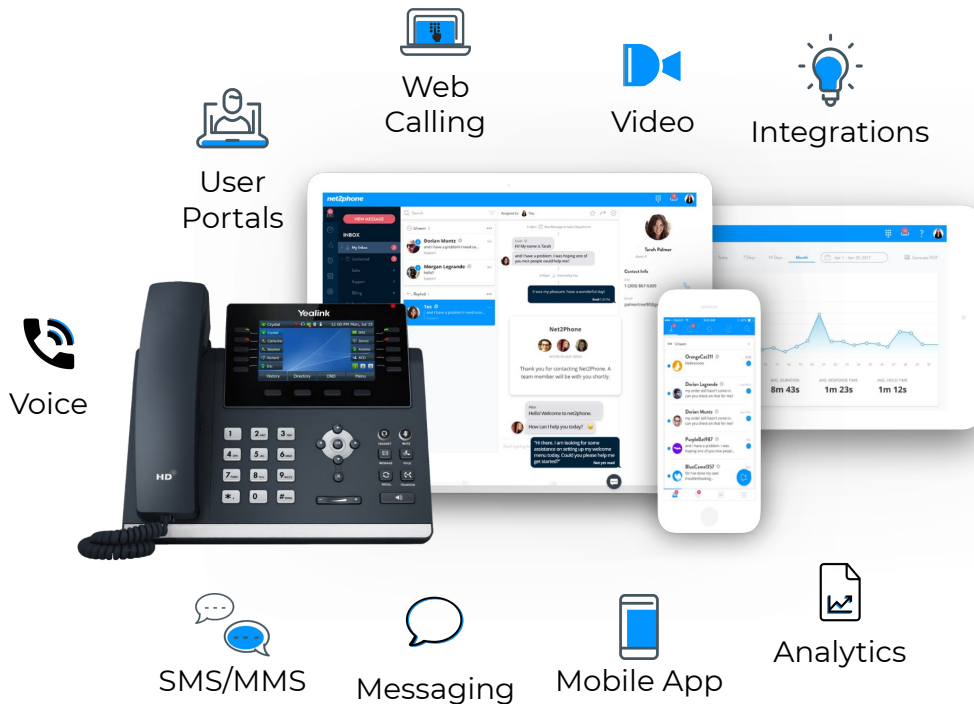
\$0 Debt⁶

Consolidated Adjusted EBITDA² Less CAPEX



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Differentiated Leader in the 'Sweet Spot' of Communications as a Service



226,000 seats⁶

\$47MM annualized revenue⁷

Exceptional topline growth and margins

Exceptional Opportunity in Domestic and International Markets

\$70
billion

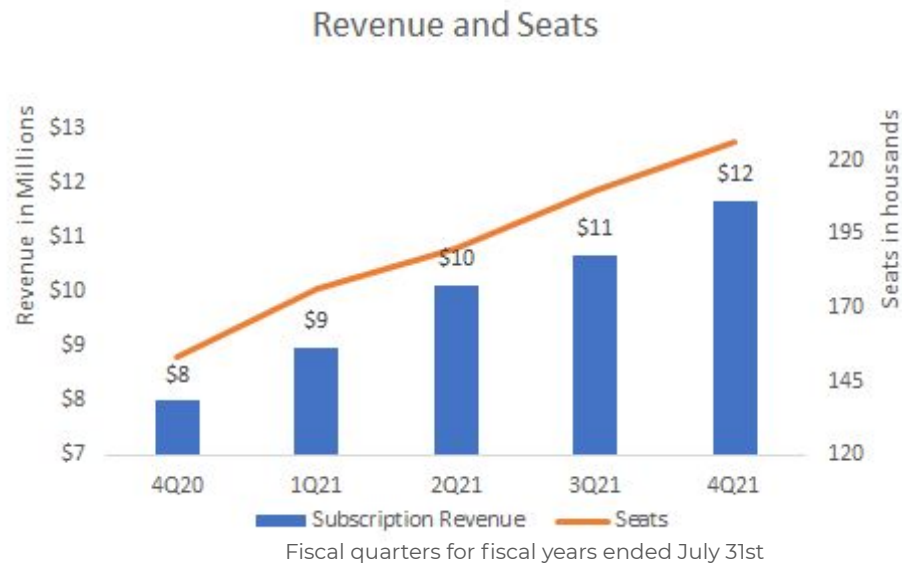
Global market opportunity
by 2028 with CAGR of 13.4%⁸

Exceptional and Sustainable Growth and Margins



46% Revenue growth⁹

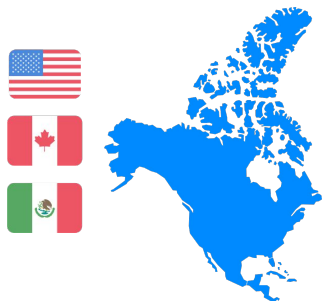
83.5% Margin¹⁰



Boots on the Ground - 9 Countries, Across 3 Continents

40% of the Global Communications as a Service Market is Abroad and Growing

44% YoY Growth⁹



Local offices:

Newark, NJ, US
Ottawa, Canada
Mexico City, Mexico

56% YoY Growth⁹



Local offices:

São Paulo, Brazil
Buenos Aires, Argentina
Bogotá, Colombia
Lima, Perú
Santiago, Chile

Recently Launched

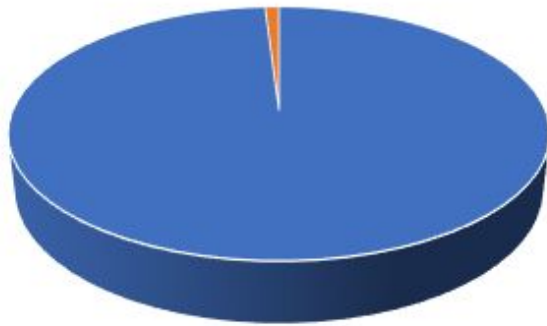


Local offices:
Murcia, Spain



A Leader in the SMB and Small Enterprise Global Marketplace

Built to Serve 99%
of the Global UCaaS Market



SMB Sweet Spot

- ❖ Fragmented market
- ❖ Aligned technology
- ❖ Condensed sales cycles
- ❖ Dynamic global market

Focused SMB/Small Enterprise Multi-Channel Acquisition Approach

20+

Master
Agent Partners

5,000+

Channel
Partners

AGENT CHANNEL PARTNERS

- ❖ Trusted technology / telecom advisors
- ❖ Favor best **value** solution
- ❖ Higher average per customer seat counts / multiple clients

DIRECT CHANNEL

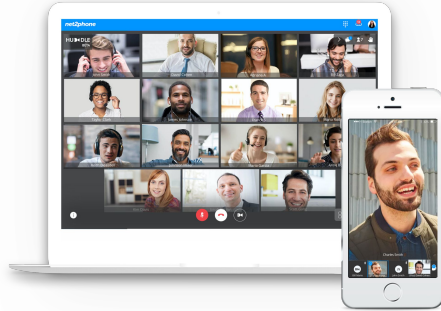
- ❖ Targets customers without advisors
- ❖ Favor plug and play solutions
- ❖ Higher average lifetime value

70+

Internal & Direct Sales
Team Members

Continuous Release of Product Features, Functionality, and Service Enhancements Tailored to SMB and Small Enterprises

Huddle Video Conferencing

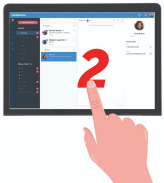


Features & Differentiators

- Web based
- Passcode protected
- Encrypted for security
- Support for 30 languages
- Single Sign On (SSO)
- Mobile App Compatible
- Calendar Integration
- Live Stream with YouTube
- Emoji Reactions
- Call Recording
- Virtual Backgrounds
- Noise Cancellation

Coming soon : Breakout Rooms and Freemium Access

Customer Self On-Boarding



Native Contact Center



Integrations: Vertical & Macro



Artificial Intelligence



Compliances & Certifications



A Powerful Point-of-Sale Platform to Drive Independent Retailers' Success



Independently owned convenience, liquor and tobacco stores need modern store management technology

Underserved Market



The NRS solution is designed specifically to address the unique needs of the independent retailer, in contrast to the standard 'one-size-fits all' approach of other POS platforms.

Large Opportunity



Addressable market of 200K+ independent retailers, including 35K+ BOSS Revolution retailers



Full suite of software solutions for retailers

- Pricebook
- Inventory Management
- Store Statistics
- Loyalty Software
- Merchant App
- Vendor Management
- User Permissions
- Hardware Integration
- E-Commerce Web & App

POS terminals provide multiple revenue streams

SaaS Fees

Retailers pay a recurring software subscription fee

Payment Processing

Retailers can utilize NRS PAY, an integrated payment processing solution



Digital Out-of-Home (DOOH) Advertising

Advertisers purchase static and video ad impressions on customer-facing screens

Data Analytics

Data analytic companies, CPGs and distributors purchase transaction data

Marketplace Services

Retailers restock inventory from NRS retailers app. Consumers use app to place orders from retailers.

Platform Revenue Growth Powered by Multiple Offerings



76%

Revenue Growth ¹²



14,000

Active
Terminals⁶



5,600

Payment Processing
Accounts⁶

For quarters of the fiscal year ended July 31st

	4Q20	1Q21	2Q21	3Q21	4Q21	% Change (4Q21-4Q20)
POS Terminals EOP (Active)	10,000	11,100	12,000	13,100	14,000	40%
NRS PAY Accounts	2,500	3,100	3,800	4,700	5,600	124%
Recurring Revenue (in thousands)						
Payment & other merchant services	\$ 859	\$ 1,263	\$ 1,561	\$ 2,116	\$ 2,865	234%
SaaS Fees	596	669	757	856	950	59%
Advertising & Data	2,116	1,872	1,819	1,958	3,064	45%
Other Revenue						
Terminal Sales	1,105	1,126	1,080	1,454	1,338	21%
Total	\$ 4,676	\$ 4,930	\$ 5,217	\$ 6,384	\$ 8,217	76%
Monthly Average Recurring Revenue per Terminal	\$ 126	\$ 120	\$ 119	\$ 131	\$ 169	34%

Helping families to
share resources around the world



Leveraging strategic assets:

- Trusted BOSS Revolution brand
- 10 million BOSS ecosystem customers to cross sell
- High volume transaction platform
- Boss Revolution app ecosystem

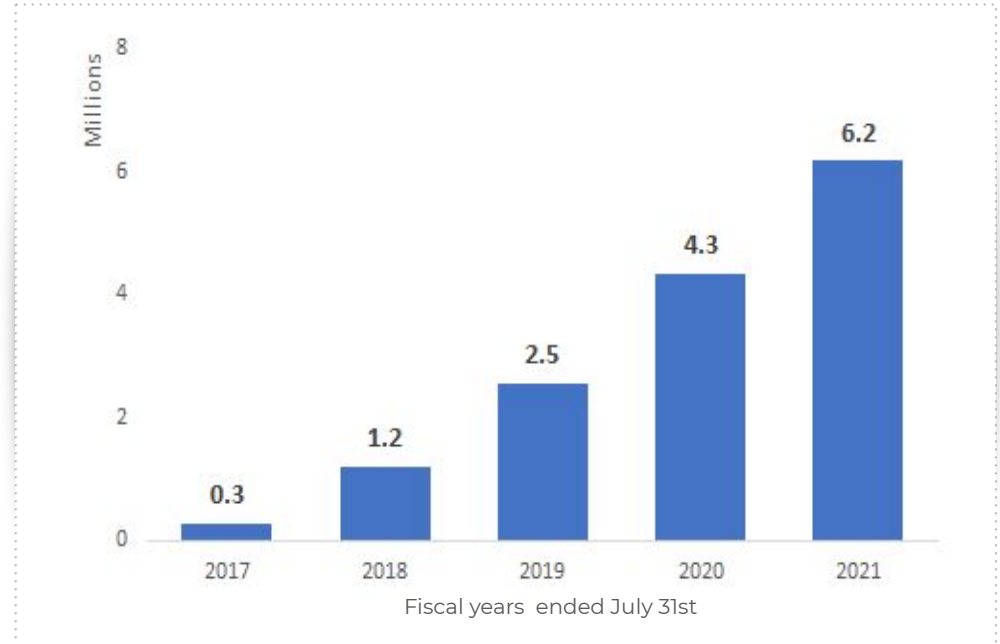
Global remittance platform

- Origination in USA
- Focus on LATAM and Africa
- Payout in 306,000 locations in 37 countries

Omni Channel

- BOSS Revolution Money App and website
- BOSS Revolution Calling App
- BOSS Revolution retail network
- Wholesale money remittance gateway

Digital Transactions



Superior User Digital Experience

- BOSS Money App receives superlative reviews
- User rated 4.8 out of 5 stars in App Store
- Over 80% of customers are repeat users

Efficient Customer Acquisition

- Successful cross-selling to existing BOSS customers
- Sophisticated CRM campaigns

Acquisition driven through online and offline media and referrals

- Mariano Rivera and Jonathan Mensah - BOSS Revolution / IDT Brand Ambassadors





BOSS
REVOLUTION
MONEY



- Expand retail pay-in network
- Retail payout network growth
- Origination market expansion-
Canada and UK to start
- Peer-to-peer transfers
- In country neo-banking services
- Expand wholesale payout network

Traditional Communications led by Mobile Top-Up



Traditional Communications · Key Offerings

A Market Leader in Mobile Top-Up and International Long Distance Calling



IDT Mobile Top-Up

U.S. customers can recharge
mobile accounts in 100+
countries

\$462 MM

Revenue



International calling
serving ~3MM
customers in the USA

\$455 MM

Revenue



Carrier Services

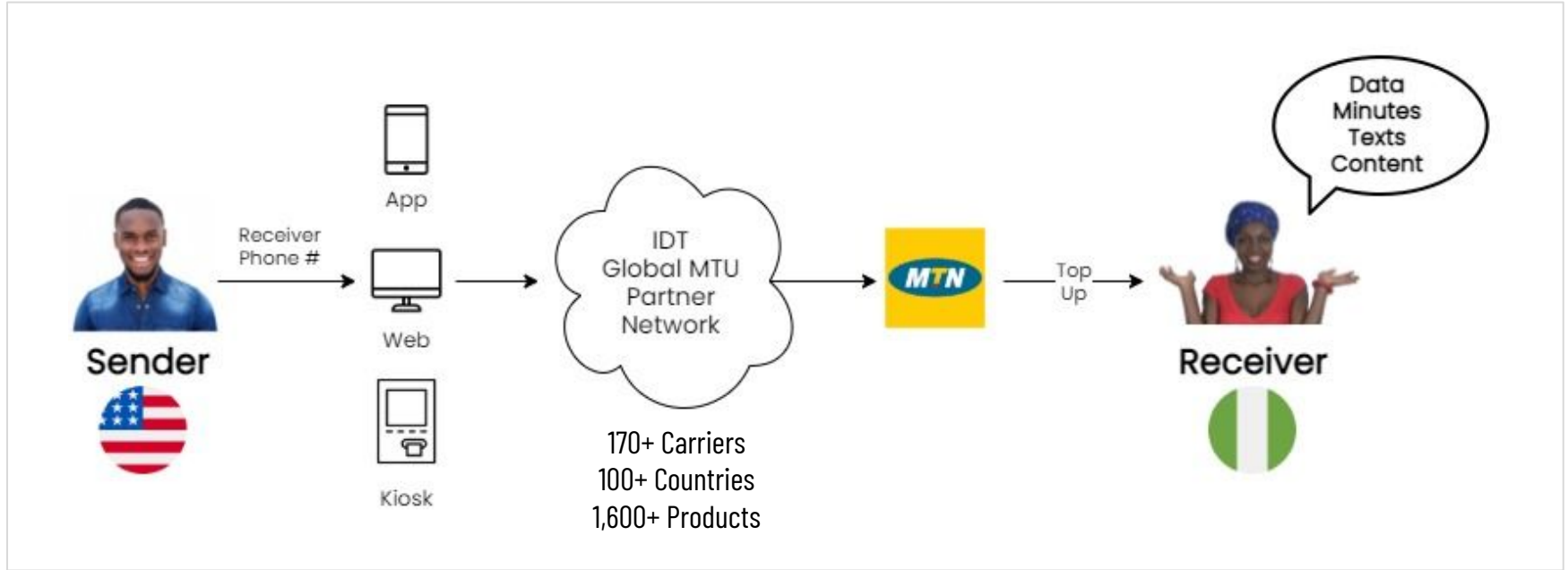
Terminates & manages
international traffic for
telecoms globally

\$361 MM

Revenue

FY 2021 Revenue¹³ = \$1,329 MM

What's **Mobile Top Up**?



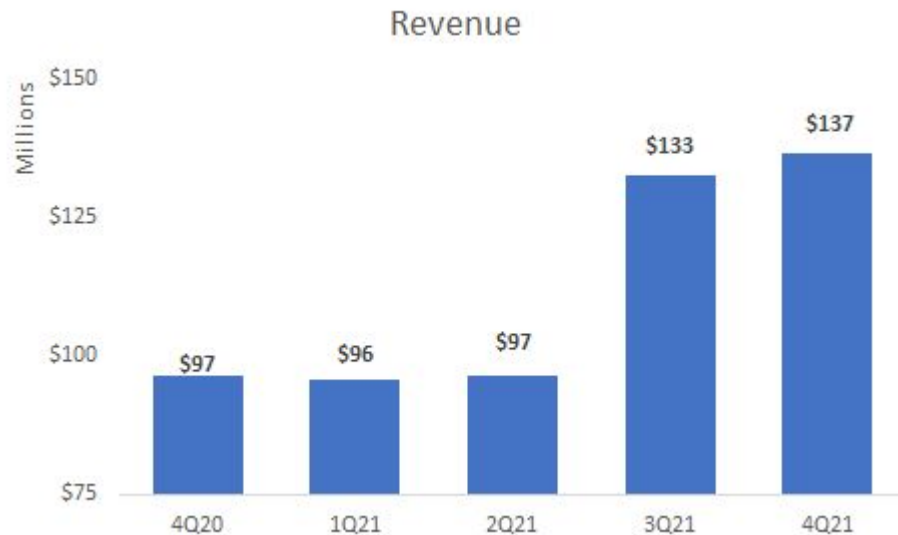
Simple • Instant • Secure • Targeted • Value

41%

Revenue
growth¹²

1.2 MM

Customers¹⁴



Fiscal quarters for fiscal years ended July 31st



Regional Momentum

Investing in high growth corridors
- Africa (100%+YoY)
- Caribbean (40%+ YoY).



New Products

Global demand for Internet access driving data-heavy packages worldwide. Growing at 56% YoY.



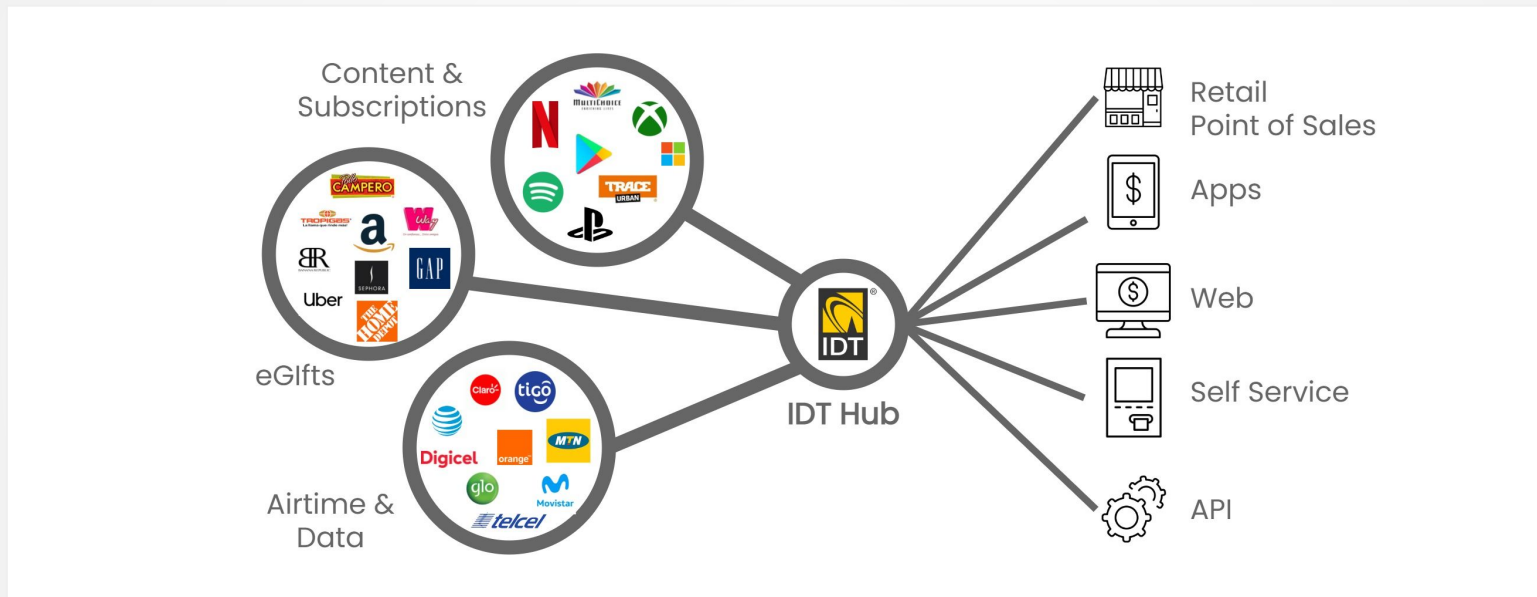
Unique Omni Channel

Broad channel mix leads to improving sales, margins and acquisition costs.



Expansion Opportunities

Canada, UK, Spain, Germany and beyond.



A **Global Portfolio of Lifestyle Value Added Services**, all delivered in real-time via our secure platform, direct to the recipient's phone.

Value Creation



Valuation - Sum of the Parts Suggests Potential Upside¹⁵



**NATIONAL
RETAIL
SOLUTIONS**

POS Network

Q4 FY21 Annualized Revenue = \$33MM
Industry Multiples = 15x - 20x
IDT's Ownership = 80.5%
Implied = \$397MM - \$529MM



Money Transfer

Q4 FY21 Annualized Revenue = \$44MM
Industry Multiples = 5x - 7.5x
IDT's Ownership = 100%
Implied = \$218MM - \$327MM

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Unified Communications

Q4 FY21 Annualized Subscription Revenue = \$47MM
Industry Multiples = 5x - 10x
IDT's Ownership = 86.4%
Implied = \$202MM - \$403MM

Traditional Communications & Corporate Overhead

FY 2021 Adjusted EBITDA² less CAPEX = \$76MM
Free cash flow multiple = 7.5x - 10x
IDT's Ownership = 100%
Implied = \$572MM - \$763MM

Opportunity

Implied EV/share¹⁶: \$54 - \$78
Current EV/share¹⁶: \$55

Also: Abundant NOL's (\$146 million - domestic; \$82 million - foreign)



Thank You

- (1) Market capitalizations of IDW Media Holdings, Genie Energy Ltd., Zedge, and Rafael Holdings at market close on October 11, 2021 plus \$2.35 billion for Straight Path Communications, which was sold to Verizon for net proceeds of that amount in 2018
- (2) Throughout this presentation, Adjusted EBITDA is a Non-GAAP measure intended to provide useful information that supplements IDT's or the relevant segment's results in accordance with GAAP. Please refer to the Non-GAAP Reconciliation of Financial Measures at the end of this presentation for an explanation of these terms and their respective reconciliations to the most directly comparable GAAP measure.
- (3) Market cap at November 11, 2021 compared to November 11, 2020.
- (4) At July 31, 2021. Cash + near cash includes unrestricted cash, cash equivalents, debt securities and unrestricted current equity investments.
- (5) At July 31, 2021 compared to July 31, 2020.
- (6) At July 31, 2021
- (7) Fiscal 4Q21 subscription revenue, x4
- (8) Source: Fortune Business Insights
- (9) Fiscal 4Q21 subscription revenue compared to fiscal 4Q20 subscription revenue
- (10) Subscription revenue less direct cost of subscription revenue for fiscal 4Q21
- (11) Sources: International Data Corporation (IDC) Worldwide Quarterly Unified Communications & Collaboration, Allied Market Research, Global Market Insights, MIT, Nemertes Research, Nemertes Research, Apigee
- (12) Fiscal 4Q21 compared to fiscal 4Q20 for the three months ended July 31st

- (13) Traditional Communications total revenue for fiscal 2021, the twelve months ended July 31, 2021. Total includes revenue from other, smaller businesses.
- (14) Average number of unique customers per month during Q4 fiscal 2021, the three months ended July 31, 2021
- (15) Industry multiples and the free cash flow multiple are based on the company's estimation of valuation multiples received for the nearest comparable companies in the industry. Investors should conduct their own, independent analysis before making investment decisions.
- (16) Enterprise value (EV) per share is market cap based on \$61.66 per share closing price at 11/11/2021 plus IDT non-controlling interest (1.75 MM) plus debt (\$0) less IDT unrestricted cash, cash equivalents, debt securities and unrestricted current equity investments (\$161.4 MM) divided by (25.8 million) shares outstanding. All figures are as of July 31, 2021 except market cap.

Non-GAAP Reconciliation

Non-GAAP Reconciliation



Adjusted EBITDA less CAPEX is a financial metric, which is calculated by deriving Adjusted EBITDA as described below and subtracting capital expenditures in accordance with generally accepted accounting principles in the United States of America (GAAP) as reported in the consolidated statements of cash flows. Management uses Adjusted EBITDA less CAPEX to evaluate the level of capital investment needed to support operations, and as a reasonable proxy for the cash generated by IDT's businesses. Because IDT's capital expenditures reflect an allocation of capital for longer term growth, IDT seeks to strike an appropriate balance between near-term and long-term financial performance as reflected in Adjusted EBITDA less CAPEX. IDT's measurement of Adjusted EBITDA less CAPEX may not be comparable to similarly titled measures reported by other companies.

Monthly Average Recurring Revenue per Terminal is also a financial metric, which is calculated by dividing NRS' revenue in accordance with GAAP during a period, excluding revenue from terminal sales, by the average number of active POS terminals during the period. The result is divided by three when the period is a fiscal quarter. The average number of active POS terminals is calculated by adding the beginning and ending number of active POS terminals during the period and dividing by two. Monthly Average Recurring Revenue per Terminal is useful for comparisons of NRS' revenue per customer to prior periods and to competitors and others in the market, as well as for forecasting future revenue from the customer base.

IDT's Adjusted EBITDA is a non-GAAP measure. Generally, a non-GAAP measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP.

IDT's measure of Adjusted EBITDA consists of revenue less direct cost of revenues and selling, general and administrative expense. Another way of calculating Adjusted EBITDA is to start with income (loss) from operations, add depreciation and amortization, severance expense, and other operating expense, and deduct other operating gains. These additions and subtractions are non-cash and/or non-routine items in the relevant fiscal periods.

Management believes that IDT's Adjusted EBITDA provides useful information to both management and investors by excluding certain expenses and non-routine gains and losses that may not be indicative of IDT's or the relevant segment's core operating results. Management uses Adjusted EBITDA, among other measures, as a relevant indicator of core operational strengths in its financial and operational decision making.

In addition, management uses Adjusted EBITDA to evaluate operating performance in relation to IDT's competitors. Disclosure of these financial measures may be useful to investors in evaluating performance and allows for greater transparency to the underlying supplemental information used by management in its financial and operational decision-making. In addition, IDT has historically reported similar financial measures and believes such measures are commonly used by readers of financial information in assessing performance, therefore the inclusion of comparative numbers provides consistency in financial reporting

Non-GAAP Reconciliation, continued



Management refers to Adjusted EBITDA, as well as the GAAP measures income (loss) from operations and net income (loss), on a segment and/or consolidated level to facilitate internal and external comparisons to the segments' and IDT's historical operating results, in making operating decisions, for budget and planning purposes, and to form the basis upon which management is compensated.

While depreciation and amortization are considered operating costs under GAAP, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or capitalized in prior periods. IDT's Adjusted EBITDA, which is exclusive of depreciation and amortization, is a useful indicator of its current performance.

Severance expense is excluded from the calculation of Adjusted EBITDA. Severance expense is reflective of decisions made by management in each period regarding the aspects of IDT's and its segments' businesses to be focused on in light of changing market realities and other factors. While there may be similar charges in other periods, the nature and magnitude of these charges can fluctuate markedly and do not reflect the performance of IDT's core and continuing operations.

Other operating (expense) gain, net, which is a component of income (loss) from operations, is excluded from the calculation of Adjusted EBITDA. Other operating (expense) gain, net includes accruals for non-income related taxes related to one of IDT's foreign entities, a gain from the sale of IDT's rights under a class action lawsuit, expense for the indemnification of a net2phone cable telephony customer related to patent infringement claims brought against the customer, legal fees net of insurance claims related to Straight Path Communications Inc.'s stockholders' putative class action and derivative complaint, expense for other legal matters, gains on sales of certain assets, and the write-off of certain assets. From time-to-time, IDT may have gains or incur costs related to non-routine legal and tax matters, and write-off of assets, however, these various items generally do not occur each quarter. IDT believes the gain and losses from these non-routine matters are not components of IDT's or the relevant segment's core operating results.

The other calculation of Adjusted EBITDA consists of revenue less direct cost of revenues and selling, general and administrative expense. As the other excluded items are not reflected in this calculation, they are excluded automatically and there is no need to make additional adjustments. This calculation results in the same Adjusted EBITDA amount and its utility and significance is as explained above.

Adjusted EBITDA should be considered in addition to, not as a substitute for, or superior to, income (loss) from operations, cash flow from operating activities, net income (loss), or other measures of liquidity and financial performance prepared in accordance with GAAP. In addition, IDT's Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Following is a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure, which is income (loss) from operations for IDT's reportable segments and IDT on a consolidated basis

Reconciling Adjusted EBITDA to Income (Loss) from Operations
for IDT Consolidated
(slide 5)
(USD in millions)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Adjusted EBITDA	38	38	31	47	74
Depreciation and amortization	(22)	(23)	(23)	(20)	(18)
Severance expense		(5)	(1)	(4)	
Other operating (expense) gain, net	(10)	(2)	(8)	(5)	1
Income (loss) from operations	6	8	(1)	18	57
Adjusted EBITDA	38	38	31	47	74
CAPEX	(23)	(21)	(19)	(16)	(17)
Adjusted EBITDA less CAPEX	15	18	12	31	58

Reconciling Adjusted EBITDA to Income (Loss) from Operations
(slide 28)

for Traditional Communications + Corporate

Fiscal 2021

(USD in millions)

	Traditional Communications	Corporate	Combined
Adjusted EBITDA	90.8	(7.5)	83.3
Depreciation and amortization	(11.0)	(0.1)	(11.1)
Severance expense	(0.5)		(0.5)
Other operating gain	0.6	0.2	0.8
Income (loss) from operations	80.0	(7.4)	72.6