

Contrarian



Contrarian Investor Virtual Conference

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Maj Soueidan

Co-Founder, GeoInvesting, LLC

geoinvesting.com

Twitter: @majgeoinvesting

maj@geoinvesting.com





About Me

- Maj Soueidan - Co-Founder of GeolInvesting, Premium Investment Research
- Full-Time Investor - ~30 years
- Long Tier One Quality Microcaps
- Short Fraud

****Disclaimer at end of presentation**





Intouch Insight (INXSF) Quick Pitch

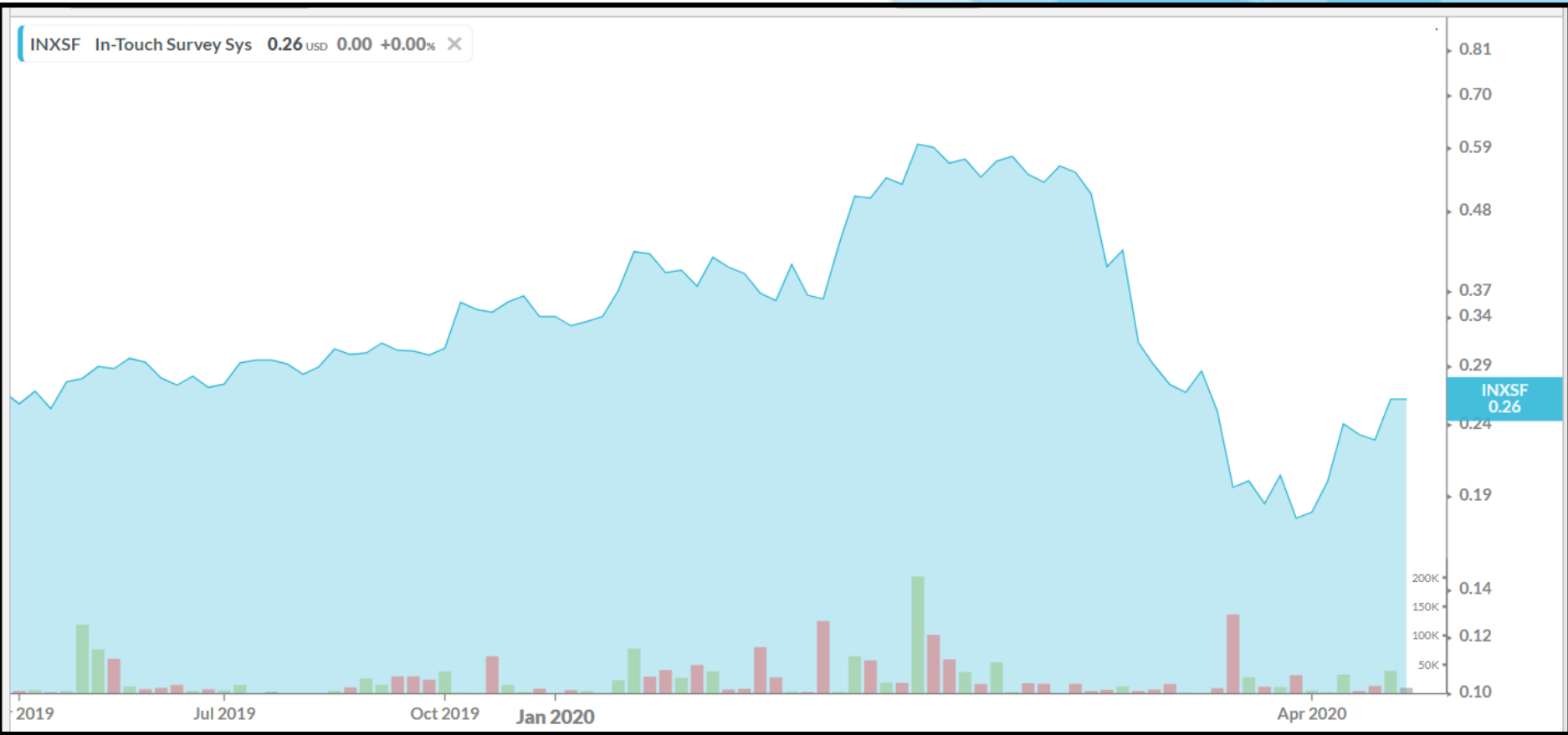
- Customer experience management/audit compliance
- High recurring revenue
- Price could increase several-fold over the next few years to over \$3.00 vs current price of \$0.26
- Shares have gotten crushed due to uncertainty from COVID-19
- Prior to COVID-19, business had just reached an inflection point
- Long-term investors should be handsomely rewarded
- Early in my DD, but like what I have learned so far
- **Disclosure:** Long INXSF



INXSF Profile

- \$0.26
- \$22.5M Shares Outstanding (minimal dilution)
- Market Cap: \$6M
- Location: Ontario, Canada
- Founded in 1992
- Public for 17 years
- CEO: Cameron James Watt
- Insider Ownership: ~30%

INXSF Chart





Business At A Glance

- What? Capture information from various touch points
- Why? To improve customer service / increase sales, improve business processes and comply with regulations
- Data Analysis



Business At A Glance – Recurring Customer Experience Services (Non-Software)

- Mystery shoppers hired to visit Client locations to deliver feedback on customer experience



Business At A Glance – Recurring Inspection Audit Services (*Non-Software*)

- Hired to carry out **operation** inspection services
- Field Audit Solutions - On-site visits
 - Brand Messaging
 - Inventory and pricing
 - Health and Safety



Business At A Glance – Recurring Compliance Audit Services

- Hired to carry out on-site visits **regulatory** compliance and inspection services
- Field Audit Solutions
 - Age verification (Alcohol and tobacco compliance)
 - Health and Safety
 - Educational Testing
 - PDMA (Prescription drug and marketing act)



Business At A Glance – Recurring Legacy Software

- Online Survey – IntouchSurvey (Need More Info)
- Event Software - “IntouchCapture”, Surveys and forms at events (SaaS)
- Mobile Forms - “IntouchCheck,” Employee check lists and surveys (SaaS)

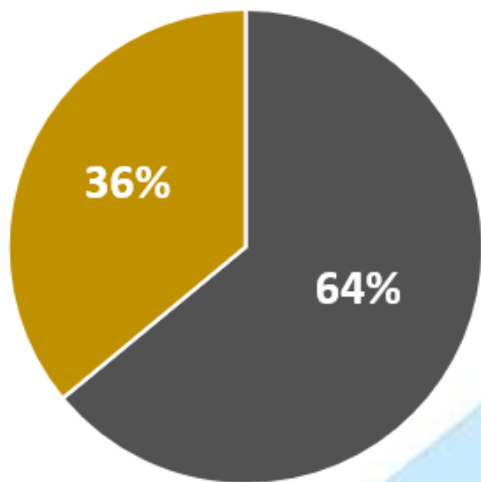


Business At A Glance – New Recurring Revenue Software *Data Analytics*

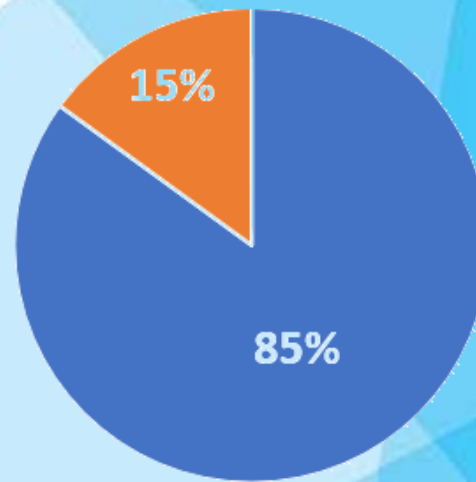
- New SaaS Software Solution - LiaCX (Learn, Interpret and Act)
 - LiaCX Creates all in one solution (more comprehensive software solution/more touchpoints)
 - LiaCX Creates new cross selling opportunities
 - LiaCX Creates new customer/industry relationships to cross sell to service revenue
 - LiaCX Creates opportunities to acquire companies that lack resources
 - Integrates with existing legacy software



Revenue Mix



■ United States ■ Canada



■ Recurring Services ■ Recurring Software



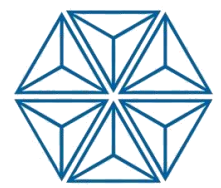
Fortune 1000 Customers / Well Known Brands

- 35 Fortune 1000 customers and 300 brands
- Retail
- Food Service & Hospitality
- Petro-Convenience
- Financial Services
- Automotive
- Education
- Pharmaceutical

Customers



Customers



Bristol-Myers Squibb



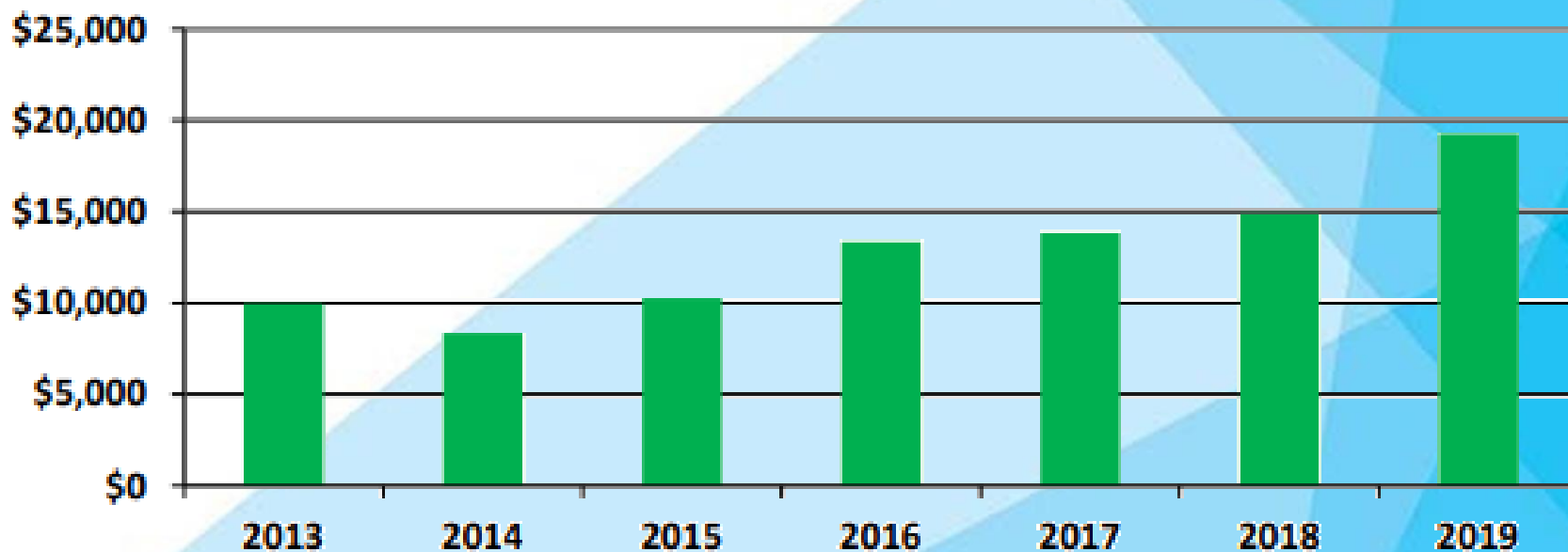
GlaxoSmithKline





Why I'm Super Bullish: Consistent Revenue Growth

Yearly revenue (in '000s)





Why I'm Super Bullish: Growth Accelerating

- Strong/Dramatic turn in financials in 2019
 - Revenue of \$19.3M, or 29% growth vs. 2018
 - Back to profitability
 - Highest Level of EBITDA since 2013
 - OPEX as % of revenues went from 70% to 48%



Why I'm Super Bullish: Strong Balance Sheet, Margins and Cash Flow

- ~Zero long-term debt
- Working Capital: \$2.9M, 52% increase over 2018
- Current Ratio: 3.2x
- Cash : \$1.4M at end of 2019 vs 242K in 2018
- Operating Cashflow: \$1.5M for 2019 vs negative \$2.7M in 2018
- Gross Margin: 52%



Why I'm Super Bullish Recurring Revenue

- Recurring/Repeatable Revenues
 - SaaS
 - Recurring service revenue is secured by 1 to 3 year contracts
 - Virtually zero customer attrition since 2013



Overview Of Why I'm Super Bullish

- LiaCX is Game Changer
 - New customers
 - Increases wallet share through cross selling opportunities
 - Increase acquisition opportunities



Why I'm Super Bullish Will Survive COVID-19

- Fragmented Market
 - Will lead to accretive acquisitions
- Will come out of COVID stronger
- Gain market share from weaker competitors
- New services to meet demands of “new world”
- New COVID related compliance standards/regulation
- Experienced CEO



Industry is Humming

- Customers value Insight’s services: Very little customer attrition over the years...
- Next to price, customer service is the biggest factor that affects sales conversion, client satisfaction, and brand loyalty. ([source: SeeLevel HX](#))
- ~90% of customers will just transfer to a competing store if they feel unhappy with the service they receive. ([source: SeeLevel HX](#))





Industry is Humming

- Global market size to reach \$23.6 billion by 2027, or a CAGR of 17.7% from 2020 to 2027 (source: [Grand View Research](#))
- USA is the largest market, accounting for nearly half of the global market (source: [MSPA](#))
- In the U.S. alone, companies spend more than \$600 million every year to fund CX ([source: SeeLevel HX](#))
- Over two-thirds of CX leaders expect budget increases in 2020 (source: [Gartner](#))



Post COVID-19 Customer Needs Are Even More Important

Important: Covid19 pandemic market impact

source: ([Grand View Research](#))

The Covid19 pandemic has forced organizations to take a good look at the business continuity plans and assess their evolving customer preferences. This creates an opportunity for businesses to take action to deliver better CX and develop flexible staffing models to drive sustained success. We are continuously monitoring the market dynamics and regulations and trying to assess the impact of Covid19 on the customer experience management market.



Valuation- Priced for Failure or Success?

- The right bet at the right price
- Company will adapt to COVID-19
- Investors have a unique opportunity to buy shares at 60% of where they were trading at two months ago, due to short-sighted investors



Valuation vs. Comps

| | MDLA | SVMK | PPRRF (OTC), PFM (CVE) | INSXF |
|---------------------|-------------|-------------|-------------------------------|--------------|
| TTM Sales | 402.5 M | \$307.4 M | \$13.74 M | \$19.3 M |
| Debt | Nil | \$213 M | \$2.7 M | Nil |
| EV/TTM Sales | 7.8x | 6.8x | 4.7x | 0.23 |
| Profitable | No | No | No | YES |



Valuation Multiples Will Expand

- Valuation multiples to expand
- Wallet share gains and acquisition opportunities will accelerate SaaS revenue growth over the next 5 years
- Investors realize just how sticky the customer base is
 - Investors will eventually place a much higher valuation on INXSF's revenues, to the magnitude of 4x to 6x vs. 0.23x, currently

Disclosure: Long INXSF



Thank You

Maj Soueidan
Founder, GeoInvesting, LLC
geoinvesting.com
Twitter: @majgeoinvesting
maj@geoinvesting.com





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