



F2020-Q4 RESULTS

June 19, 2020

Alithya 

FORWARD LOOKING STATEMENT

Certain statements contained herein may constitute “forward-looking information” within the meaning of applicable Canadian securities laws and “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other applicable U.S. safe harbours (collectively “forward-looking statements”). These statements may include, without limitation, estimates, plans, expectations, opinions, forecasts, projections or other statements regarding the future growth, results of operations, performance and business prospects of Alithya that do not exclusively relate to historical facts or which refer to the characterizations of future events or circumstances, including information or statements regarding our ability to generate sufficient earnings to support our operations, our ability to expand our capacities and broaden the scope of our service offerings, our strategy, future operations, and prospects, our expectations regarding our financial performance, and the impact on Alithya of, and the response of Alithya to, the occurrence of the COVID-19 pandemic.

Although management believes the expectations reflected in Alithya’s forward-looking statements were reasonable as at the date they were made, forward-looking statements are based on the opinions, assumptions and estimates of management and, as such, are subject to a variety of risks and uncertainties and other factors, many of which are beyond Alithya’s control, and which could cause actual events or results to differ materially from those expressed or implied in such statements. Such risks and uncertainties include but are not limited to those discussed in Alithya’s annual Management’s Discussion and Analysis for the year ended March 31, 2020 and other materials made public, including documents filed with Canadian and U.S. securities regulatory authorities from time to time and which are available on SEDAR at www.sedar.com and EDGAR at www.sec.gov. Forward-looking statements contained herein are expressly qualified in their entirety by these cautionary statements and are made only as of the date of Alithya’s annual Management’s Discussion and Analysis for the year ended March 31, 2020. Alithya expressly disclaims any obligation to update or revise any forward-looking statements, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by applicable law. Investors are cautioned not to place undue reliance on forward-looking statements since actual results may vary materially from them.

Certain measures disclosed herein have also not been prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. Please refer to Alithya’s Management’s Discussion and Analysis for the year ended March 31, 2020 for further details.

PRESENTERS



Paul Raymond

President and
Chief Executive Officer



Claude Thibault

Chief Financial Officer

RESPONDING TO COVID-19

- > Implemented a business continuity plan focused on 3 priorities:
 - > Protecting our people, clients and the company
- > Took active steps to manage our liquidity:
 - > Optimizing our cost structure
 - > Restricting all non-essential expenses
 - > Limiting capital expenditures
 - > Reviewing and taking advantage of available government programs
- > Monitoring developments - will consider additional initiatives as the situation evolves

F2020-KEY TAKEAWAYS

CONTINUED REVENUE GROWTH

- > 33% year-over-year growth in revenue
- > Organic growth in Canada of 14.6%, excluding a few select large clients
- > Successfully integrated Edgewater Technology
- > Completed the acquisition of Matricis Informatique, Travercent and Askida
- > Continued to diversify our business by industry, geography and client

F2020-KEY TAKEAWAYS

CONTINUED MARGIN EXPANSION

- > 380 bps year-over-year growth in gross margin
- > 90% year-over-year growth in adjusted EBITDA^(1,2)
- > Expanded contribution of higher value-added, digital transformation services
- > \$28.3M improvement in cash from operations
- > Maintained a solid financial position
- > Implemented a business continuity plan to respond to the COVID-19 pandemic

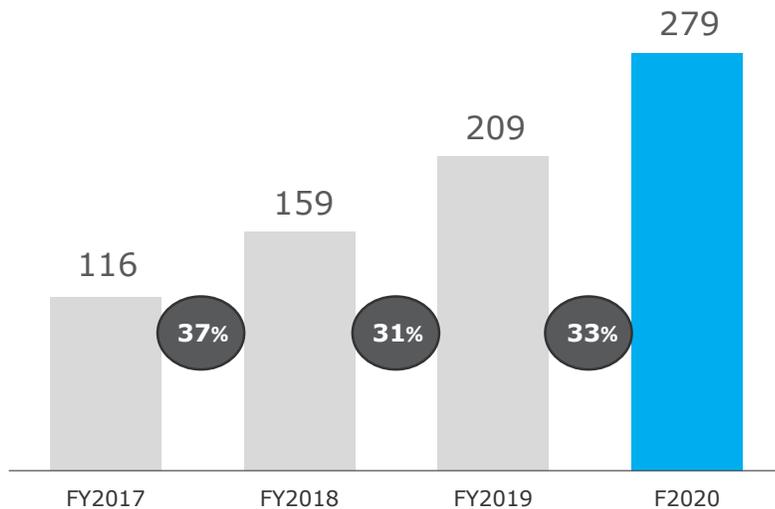
(1) This is a non-IFRS financial measure. Please refer to the "Non-IFRS Measures" section in Alithya's MD&A for the year ended March 31, 2020 for a description of such measure and a reconciliation to the closest IFRS measure.

(2) Alithya recorded a net loss of \$39.7 million and \$12.5 million for the fiscal years ended March 31, 2020 and 2019 respectively.

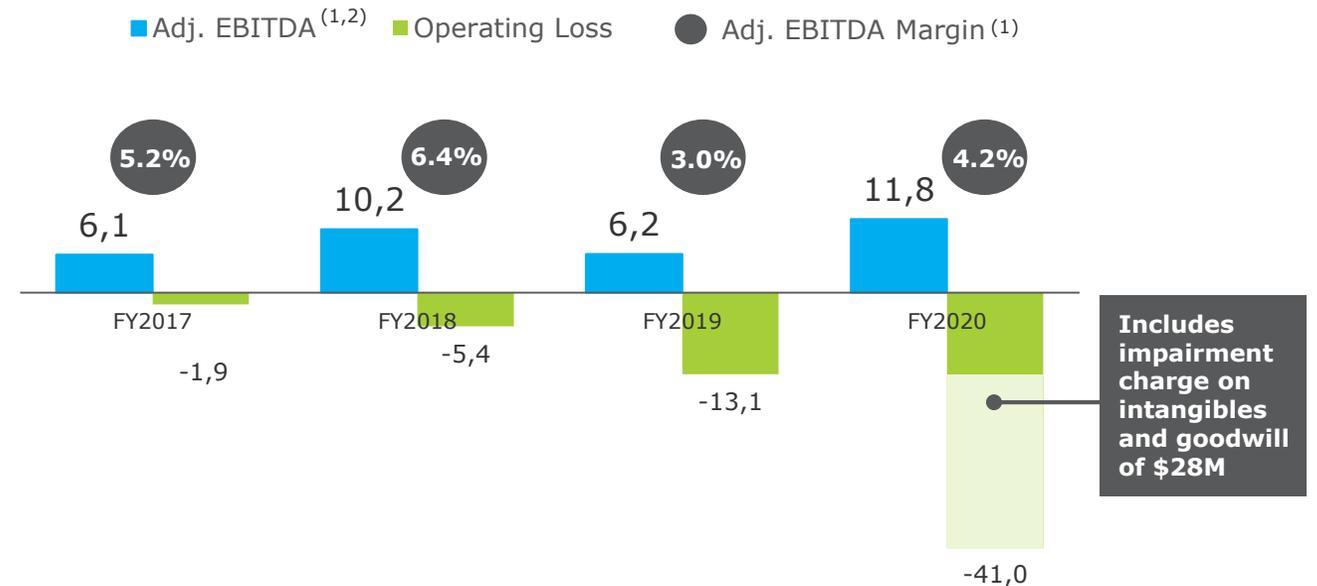
CONTINUING TO GROW IN FY2020

Increased scale provides support to the global platform as it pivots to higher margin business opportunities both, organically and through acquisitions

Revenues
(in millions)



Operating Loss, Adj. EBITDA^(1,2) & Adj. EBITDA margin^(1,2)
(in millions and in %)

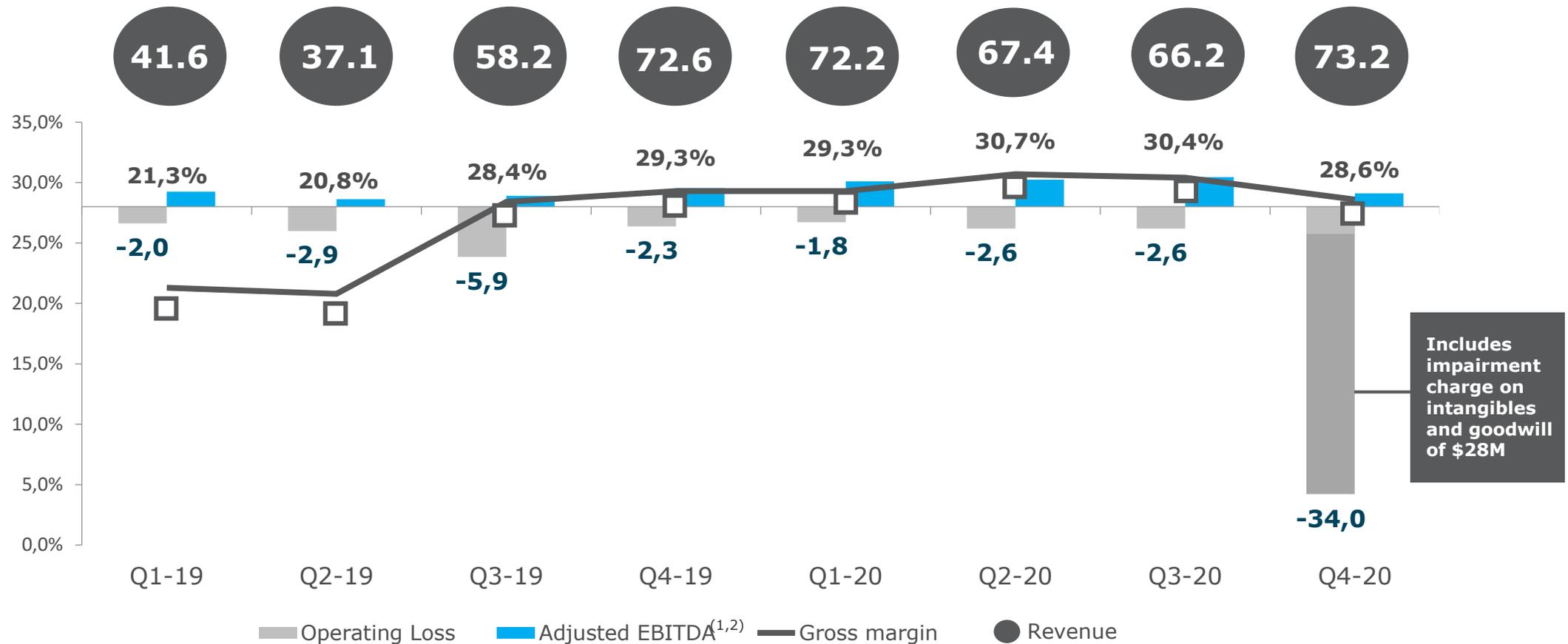


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(2) Alithya recorded a net loss of \$39.7 million, \$12.5 million, and \$7.2 million for the fiscal years ended March 31, 2020, 2019 and 2018 respectively.

ACCELERATING GROWTH WITH ACQUISITIONS

(In millions of \$, except margins in %)

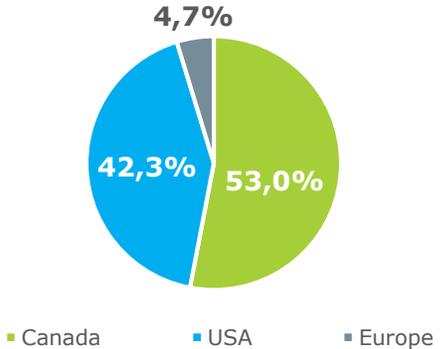


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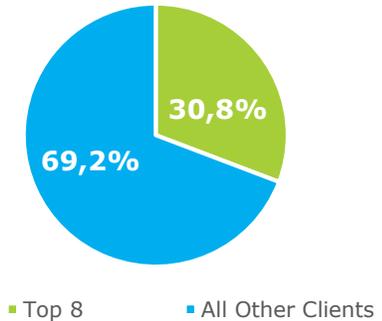
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CONTINUING TO EXPAND & DIVERSIFY

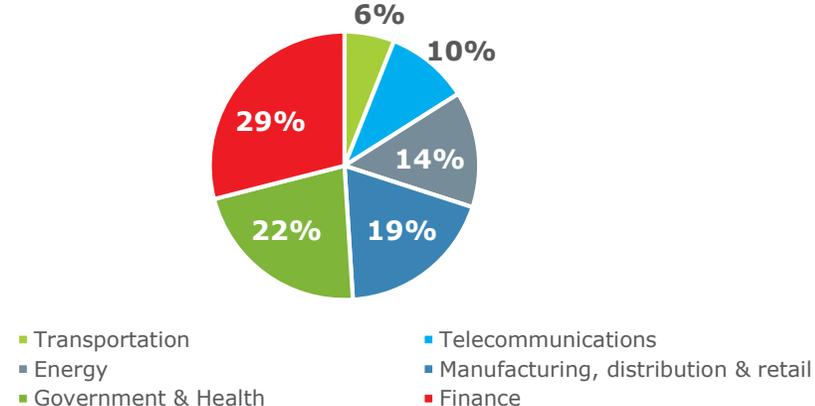
F2020 Revenues by Geography



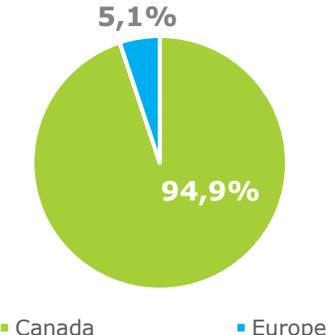
F2020 Revenues by Top 8 Clients



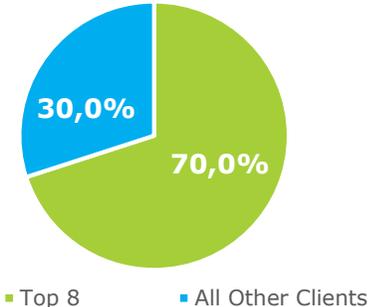
F2020 Revenues by Industry



F2018 Revenues by Geography



F2018 Revenues by Top 8 Clients



F2020-Q4 FINANCIAL HIGHLIGHTS

Revenue growth

	F2020-Q4	F2019-Q4		
REVENUES	\$73.2M	\$72.6M	+0.7% ▲	<ul style="list-style-type: none"> ▲ Acquisitions ▼ Lower organic growth
GROSS PROFIT	\$21.0M	\$21.3M	(1.4%) ▼	<ul style="list-style-type: none"> ▲ Higher value-added services ▼ Implementation of business continuity plan ▼ COVID-19 early impacts
GROSS MARGIN	28.6%	29.3%	(70bps) ▼	<ul style="list-style-type: none"> ▲ Higher value-added services ▼ Implementation of business continuity plan ▼ COVID-19 early impacts
ADJUSTED EBITDA^(1,2)	\$2.0M	\$2.2M	(9.5%) ▼	<ul style="list-style-type: none"> ▲ Higher value-added services ▲ Impact of the adoption of IFRS 16 – Leases ▼ Increased costs related to expanding the business ▼ COVID-19 early impacts
OPERATING LOSS	(\$34.0M)	(\$2.3M)	nm ▼	<ul style="list-style-type: none"> ▼ Impairment of intangibles & goodwill

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F2020-Q4 LIQUIDITY AND FINANCIAL POSITION

- > Net cash generated used in operating activities was \$3.0M in the fourth quarter of fiscal 2020, compared to \$6.9M of cash used for the same quarter last year, an improvement of \$3.9M.
- > Net bank borrowing⁽¹⁾ reached \$26.9M as at March 31, 2020, from \$8.7M as at March 31, 2019, an increase of \$18.2M
 - > Reflects \$11.0M in cash and restricted cash
 - > Increase from acquisitions, operations and capex
 - > Total debt of \$53.2M, including long-term debt and the current portion of long-term debt
- > Certain US subsidiaries obtained loans totaling US\$6.3M under the U.S. government Paycheck Protection Program (PPP)
- > Certain Canadian subsidiaries obtained \$1.5M through the Canada Emergency Wage Subsidy Program

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COVID-19 BUSINESS UPDATE

- > Extended sales cycles
- > Most clients remain committed to their projects
- > Pipeline remains healthy
- > Despite current uncertainty, drive for digital transformation services is expected to continue and could be accelerated
- > Successfully building a reputation as a trusted and experienced partner
- > Some business uncertainty regarding impact in upcoming quarters

KEY TAKEAWAYS

- > Upward trend in gross margin supported by acquisitions, higher value-added digital transformation services and scale
- > Successful diversification process creating a stronger foundation for the future
- > In Q4-F2020, added 40 new clients, 15 of which through organic sales
- > Exposure to large customer IT investment cycles being offset by new clients, new higher value-added services and growing scale from business acquisitions
- > Matricis Informatique, Travercent and Askida acquisitions added approximately \$35M in annualized revenues
- > Solid financial position to weather current crisis and to be M&A opportunistic
- > More challenging economic conditions due to pandemic will continue to drive digital transformation services
- > Well positioned to deliver our long-term vision of becoming a North American leader in strategy and digital transformation

OUR 3-5-YEAR STRATEGIC PLAN

OUR GOAL

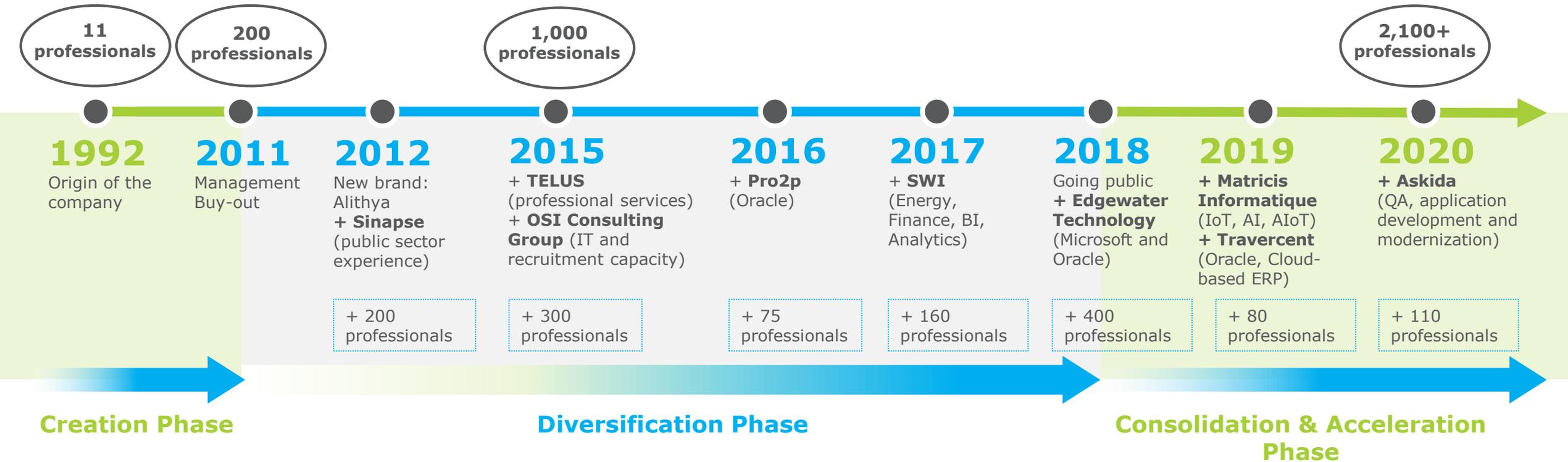
To better serve our customers and to be their trusted advisor, we aim to become a digital transformation leader. To get there and to stay ahead, we need to grow intelligently, always improve, and execute our 3-5 year strategic plan.

OUR PLAN

- 1** Increasing scale through organic growth and complementary acquisitions
 - > Sustaining organic growth through innovation, higher-value offerings and client-relationships based on trust
 - > Strategic acquisitions by way of a North America geographic expansion to complement current market presence, while progressively adding major integrated enterprise solutions offerings and selected specialized expertise
- 2** Achieving best-in-class employee engagement
 - > Fostering a culture of collaboration and ownership
 - > Cultivating employee well-being and personal growth
 - > Investing in the development of our leaders and employees
- 3** Providing our investors, partners and stakeholders with long-term growing return on investment
 - > Strengthening our existing relationships with clients, as a key trusted advisor, by generating long-term profitable growth
 - > Investing in innovation and higher value service offerings
 - > Acting responsibly, with a sustainable and respectful vision for our stakeholders

A PROVEN GROWTH STRATEGY

A **proven consolidator** with a history of successful integrations and **strong organic growth**





QUESTIONS AND ANSWERS

Alithya 



INFORMATION

investorrelations@alithya.com

Alithya 



APPENDIX

F2020-Q4 HIGHLIGHTS

- > Revenues up 0.7% to \$73.2M driven by acquisitions, partially offset by lower organic growth and the divestiture of the UK subsidiary
- > Gross margin decreased to 28.6% from 29.3% in Q4-F2019, mainly explained by normal variations in our revenue mix, during the quarter, and the early impacts of COVID-19
- > Adjusted EBITDA^(1,2) down 9.6% to \$2.0M with a margin of 2.8%. Marginal negative impact from COVID-19 in Europe
- > Net loss of \$34.0M, which includes an impairment charge on intangibles and goodwill of \$28.0M, from a loss of \$2.7M in Q4-19
- > Completion of a complementary acquisition

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MATRICIS : A STRATEGIC ADDITION TO OUR OFFERING

> Capture, transform and value data



Digital Process Automation (DPA)



IoT & VR



Advanced Analytics (AI)



Operational intelligence



Azure

Value proposition

- > Agile deployment: Cloud, Hybrid, onsite
- > Project and advice
- > Intellectual property & methodology
- > Targeted approach by business sector
 - > industry 4.0
 - > healthcare
- > Architecture, Infrastructure, support and maintenance

Business sectors

- > Industrial / Manufacturing
- > Transport and logistics
- > Healthcare
- > Insurance and Financial Services
- > Engineering & Professional Services
- > Public Sector and Smart Cities

Platforms and solutions



TRAVERCENT: A STRATEGIC PARTNER IN HEALTHCARE

> Implement, Manage and Supply



Oracle Cloud ERP

Value proposition

- > Oracle's top cloud partner in the Healthcare business unit
- > Internally developed IP (Capsure™)
- > Process Management Software Implementation
- > Human Capital Management

- > Material Management Processes
 - > Mobile Supply Chain automation
 - > Inventory Management
 - > Medical Equipment Tracking



Oracle HCM Cloud



Oracle Performance Management Cloud

Business sectors

- > Healthcare
- > Medical services
- > Life sciences
- > Professional services
- > Hospitality

Platforms and solutions

ORACLE®

CAPSURE^{RF}



Oracle Analytics Cloud

ASKIDA: A BROADER OFFERING IN SOFTWARE SOLUTIONS

> Innovate, Test and Ensure Quality



**Custom
Software
Design**



**Quality
Assurance
Testing**



**Software
Integration**



Modernization

Value proposition

- > Custom Software Development
- > Quality Assurance Expertise
- > Internally developed IP (Askida CT)
- > Software Integration & Modernization
- > Test Orchestration & Automation
- > Modernization of legacy systems

> Askida CT: A complete test automation platform that enables a QA team to quickly create tests without needing deep technical skills while guaranteeing software quality

Business sectors

- > Financial services
- > Telecommunications
- > Energy

Platforms and solutions





THANK YOU

Alithya 