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# **F2019-Q3 Results**

**February 19, 2019**

# FORWARD LOOKING STATEMENT

This presentation contains "forward-looking information" within the meaning of applicable Canadian securities laws and "forward looking statements" within the meaning of the United States Private Securities Legislation Reform Act of 1995 and other applicable United States safe harbours. All such forward-looking information and statements are made and disclosed in reliance upon the safe harbour provisions of applicable Canadian and United States securities laws. Forward-looking information and statements include, but are not limited to, statements with respect to Alithya expectations regarding future growth and the results of operations, performance and business prospects of Alithya. Forward-looking information and statements relate to, among other things, Alithya objectives and the strategies to achieve these objectives, as well as information with respect to Alithya beliefs, plans, expectations, anticipations, estimations and intentions, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Forward-looking information and statements often but not always use words such as "pro forma," "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "could," "would," "will," "may," "can," "continue," "potential," "should," "look forward," "guidance," and the negative of these terms or other comparable or similar terminology or expressions often identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events. These information and statements are based on our perception of historic trends, current conditions and expected future developments, as well as other assumptions, both general and specific, that we believe are appropriate in the circumstances.

Such information and statements are, however, by their very nature, subject to inherent risks and uncertainties, of which many are beyond the control of Alithya, and which give rise to the possibility that actual results could materially differ from our expectations expressed in, or implied by, such forward-looking information or forward-looking statements. These factors include but are not limited to the risk factors disclosed in the Management's Discussion and Analysis of Alithya Group dated February 13, 2019 (the "MD&A") and available on SEDAR at [www.sedar.com](http://www.sedar.com).

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this presentation. Such assumptions include, but are not limited to, the assumptions set out in the MD&A. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements. Forward-looking information and statements in this news release are qualified by these cautionary statements. Unless otherwise stated, the forward-looking information and statements contained in this presentation are made as of the date hereof and Alithya expressly disclaims any intention or obligation to publicly update or revise any forward-looking information or 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 law. Although we believe the assumptions on which these forward-looking information and forward-looking statements are based were reasonable as at the date of this presentation, readers are cautioned not to place undue reliance on these forward-looking information or statements.

This presentation also includes certain measures which have 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 companies. 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 the Management's Discussion and Analysis for the quarter ended December 31, 2018 for further details.

# PRESENTERS



**Paul Raymond**  
*President and CEO*



**Claude Thibault**  
*Senior Vice President and  
Chief Financial Officer*

# F2019-Q3 HIGHLIGHTS

- Revenues up 44% and gross margin gained 470 bps yoy
- Performance driven by the transformational acquisition of Edgewater Technology
- Integration of Edgewater Technology is progressing well and as planned
- Gained new business opportunities, including new contracts in Canada
- Other opportunities in the pipeline as a result of sales synergies
- Solid base business in Canada and France with strong bookings with governmental and private sector customers
- Well positioned to accompany North-American companies in their digital transformation

# F2019-Q3 FINANCIAL HIGHLIGHTS

*Strong revenue and margin growth*

	F2019-Q3	F2018-Q3	
REVENUES	\$58.2M	\$40.4M	+44%
GROSS MARGIN	\$16.5M	\$9.6M	+73%
GROSS MARGIN (%)	28.4%	23.7%	+470bps
ADJUSTED EBITDA <sup>(1)</sup>	\$1.3M	\$3.2M	-58.6%

(1) This is non-IFRS financial measure. Please refer to the “Non-IFRS Measures” section in the MD&A.

# F2019-Q3 LIQUIDITY AND FINANCIAL POSITION

- Closed on October 30, 2018 the previously announced bought deal private placement for estimated gross proceeds of \$52.8M
- As at the end of F2019-Q3, we had \$15.4M in cash and a total debt of \$22.1M
- Net debt position was \$6.7M
- Subsequent to the end of the quarter, the Corporation also closed a new \$60M revolving credit facility
  - This provides us with greater financial flexibility to pursue our growth strategy through organic growth and acquisitions

# OUTLOOK REITERATED

**In the year following closing of the Edgewater acquisition**  
(NTM, on a pro forma basis, as at November 1, 2018)

**REVENUES**

**\$300M - \$320M**

**ANNUALIZED  
ADJUSTED EBITDA<sup>(1)</sup>**

**\$22M - \$24M**

(1) This is non-IFRS financial measure. Please refer to the “Non-IFRS Measures” section in the press release and in the MD&A.

# KEY TAKEAWAYS

- **The acquisition of Edgewater positions us as a solid North-American player in digital technologies**
- **Providing solutions in response to complex strategic issues offers enormous potential for Alithya**
- **Will concentrate on reinforcing our position as a North American strategic consulting and digital transformation leader**
- **Will leverage our extended footprint and skillset to accelerate our growth and enhance our profitability**
- **Now better positioned to pursue our Build-and-Buy strategy**



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Questions?

> [gladys.caron@alithya.com](mailto:gladys.caron@alithya.com)

> **514.285.5552**