



# F2019-Q4 Results

June 19, 2019

# FORWARD LOOKING STATEMENT

This presentation contains statements that 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”). Statements that do not exclusively relate to historical facts, as well as statements relating to management’s expectations regarding the future growth, results of operations, performance and business prospects of Alithya, and other information related to Alithya’s business strategy and future plans or which refer to the characterizations of future events or circumstances represent forward-looking statements. Such statements often contain the words “anticipates,” “expects,” “intends,” “plans,” “predicts,” “believes,” “seeks,” “estimates,” “could,” “would,” “will,” “may,” “can,” “continue,” “potential,” “should,” “project,” “target,” and similar expressions and variations thereof, although not all forward-looking statements contain these identifying words.

Forward-looking statements in this presentation include, among other things, information or statements about: (i) our ability to generate sufficient earnings to support our operations; (ii) our ability to take advantage of business opportunities and meet our goals set in our 3-5 year strategic plan; (iii) our ability to expand our capacities and broaden the scope of our service offering; (iv) our strategy, future operations, and prospects; (v) our need for additional financing and our estimates regarding our future financing and capital requirements; (vi) our expectations regarding our financial performance, including our revenues, profitability, research and development, costs and expenses, gross margins, liquidity, capital resources, and capital expenditures; and (vii) our ability to realize the expected synergies or cost savings relating to the integration of Edgewater and our operations.

Forward-looking statements are presented for the sole purpose of assisting investors and others in understanding Alithya’s objectives, strategies and business outlook as well as its anticipated operating environment and may not be appropriate for other purposes. 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 and interim Management’s Discussion and Analysis 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](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov). Additional risks and uncertainties not currently known to Alithya or that Alithya currently deems to be immaterial could also have a material adverse effect on its financial position, financial performance, cash flows, business or reputation.

Forward-looking statements contained in this presentation are qualified by these cautionary statements and are made only as of the date of this presentation. Alithya expressly disclaims any obligation to update or alter 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.

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 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, 2019 for further details.

# PRESENTERS



**Paul Raymond**  
*President and  
Chief Executive Officer*



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

# F2019-Q4 HIGHLIGHTS

- Revenues up 79.5% and adjusted EBITDA improving
- Edgewater acquisition and transition to higher value-added revenue streams
- Slowdowns and delayed projects in some of our existing clients in Canada, compensated by similar increases from new business with new and existing clients
- Additional expenses linked to becoming a new public issuer
- U.S. operations generated solid organic growth of 6% on a comparable basis
- Integration of Edgewater is progressing well and has exceeded our expectations

# F2019-Q4 FINANCIAL HIGHLIGHTS

Strong revenue growth and continued margin improvement

	F2019-Q4	F2018-Q4		
REVENUES	\$72.6M	\$40.5M	+79.5%	<ul style="list-style-type: none"> <li> US Acquisition, with 6% organic growth Q/Q</li> <li> Revenues from new and existing clients</li> <li> Slowdowns or delayed starts with certain larger clients</li> </ul>
GROSS MARGIN	\$21.3M	\$8.9M	+137.9%	<ul style="list-style-type: none"> <li> US Acquisition</li> </ul>
GROSS MARGIN (%)	29.3%	22.1%	+720bps	<ul style="list-style-type: none"> <li> US Acquisition</li> <li> Transition to higher value-added revenue streams</li> <li> Margins in Canada and France increasing by 80 bps</li> </ul>
ADJUSTED EBITDA <sup>(1)</sup>	\$2.2M	\$1.9M	+14.6%	<ul style="list-style-type: none"> <li> US acquisition</li> <li> Recurring and non-recurring expenses related to becoming a public company and expanding the business</li> </ul>

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

# F2019-Q4 LIQUIDITY AND FINANCIAL POSITION

- **Our new \$60M revolving credit facility provides us with great financial flexibility**
  - Allowing us to pursue our growth strategy through organic growth and acquisitions
- **Net debt position was \$8.7M as at the end of F2019**
  - With \$16.3M in cash, short term deposits and restricted cash and a total debt of \$28.3M including long term debt, a balance of sale from a previous acquisition and the current portion of long-term debt.

# GUIDANCE MAINTAINED

On a run-rate and pro forma basis, by Fiscal Q3-20

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

- Milestone revenues of over \$200 million in fiscal 2019 and a current run-rate of ~\$300 million
- We enter fiscal 2020 with great confidence
- We will continue to benefit from our US acquisition
- We are ready to execute on more complementary strategic acquisitions
- Will leverage our extended footprint to accelerate our growth and enhance our profitability
- We are well positioned to deliver our long-term vision of becoming a strong North American strategy and digital transformation leader

**Alithya** 



**THANK YOU!**