

# INDUSTRY LEADING ORGANIC GROWTH AND BOOKINGS IN ALL OF OUR GEOGRAPHIES

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F2022-Q1 Performance Highlights

August 12, 2021



**Alithya** 

# CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS AND NON-IFRS MEASURES

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 develop new business, broaden the scope of our service offerings and enter into new contracts, 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 Management's Discussion and Analysis ("MD&A") for the quarter ended June 30, 2021 and MD&A for the year ended March 31, 2021 as well as in 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). 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 MD&A for the quarter ended June 30, 2021. 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 MD&A for the quarter ended June 30, 2021 and MD&A for the year ended March 31, 2021 for a description of such measures, a reconciliation of to the most directly comparable IFRS financial measures and for further details.

All amounts are in Canadian dollars unless otherwise indicated.

# F2022-Q1 PERFORMANCE HIGHLIGHTS

1

Posted organic growth both year-over-year and sequentially, in Canada, the US and Europe

2

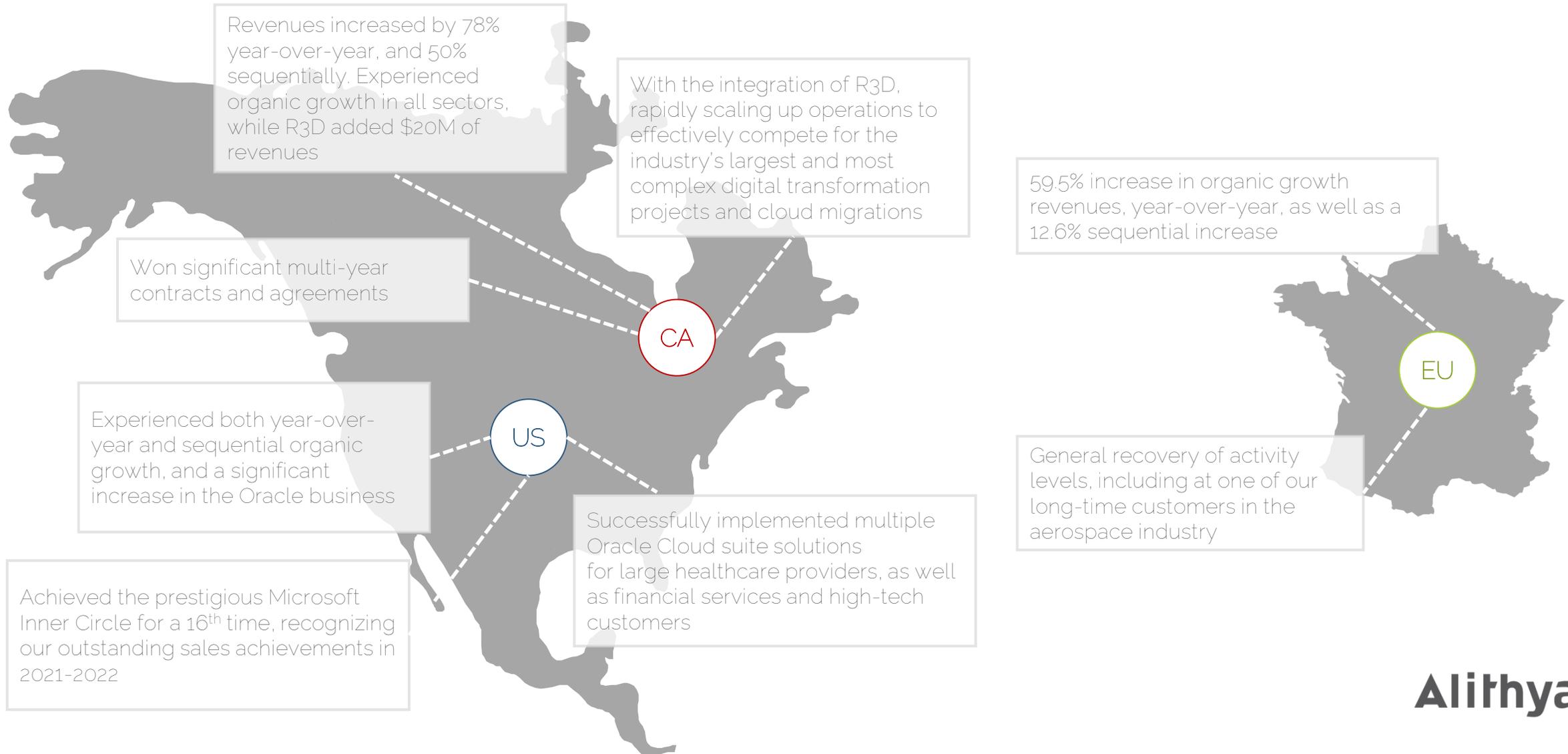
On track with the integration of R3D<sup>(1)</sup>; The two 10-year contracts with Beneva and Québecor have already generated significant high-value revenues

3

Opened a subsidiary office in Morocco to gain access to a rich pool of highly-skilled IT professionals for our global projects

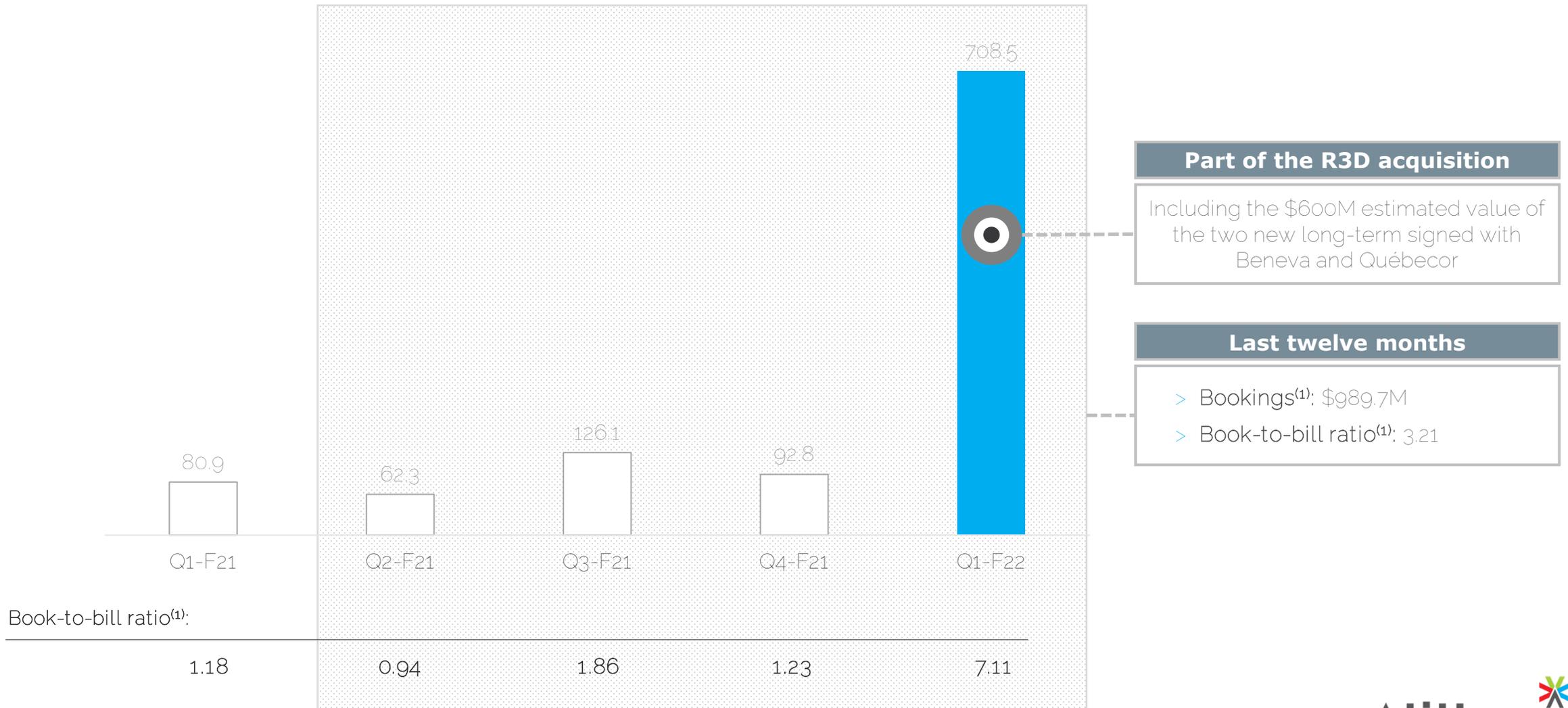
(1) R3D Consulting Inc.'s financial performance is included in the disclosure of financial results for the first quarter fiscal 2022, as the transaction closed on April 1, 2021.

# OUR TEAMS EXCEEDED ALL EXPECTATIONS AND ARE SEIZING NEW OPPORTUNITIES TO ACCELERATE PROFITABLE GROWTH



# BOOKINGS<sup>(1)</sup> EVOLUTION

(In millions of \$)



(1) This is a non-IFRS financial measure. Please refer to the "Cautionary Note on Forward-Looking Statements and Non-IFRS Measures" section of this presentation and to the "Non-IFRS Measures" section in the MD&A for more information.

# RECORD FIRST QUARTER PERFORMANCE

	F2022-Q1	F2021-Q1		
REVENUES	\$102.9M	\$70.7M	45.6% 	<ul style="list-style-type: none"> <li> Organic growth in all geographies</li> <li> Additional revenues from the R3D acquisition on April 1<sup>st</sup>, 2021, including growth from the two long-term contracts</li> <li> Organic growth in all areas in the US, particularly in the Oracle business</li> <li> Negative US dollar variation</li> </ul>
GROSS PROFIT	\$28.3M	\$20.4M	38.9% 	<ul style="list-style-type: none"> <li> Increase in all geographies, mainly driven by higher utilization rates</li> <li> Governmental wage subsidies</li> <li> Lower % in Canada from the R3D acquisition, whose revenues historically show a higher proportion from billable subcontractors</li> </ul>
GROSS MARGIN	27.5%	28.9%	140 bps 	<ul style="list-style-type: none"> <li> \$2.5M impact from increased costs on one large project in Canada - project nearing completion</li> </ul>
ADJUSTED EBITDA <sup>(1)</sup>	\$7.0M	\$3.3M	114.5% 	<ul style="list-style-type: none"> <li> Organic growth, contribution from the R3D Acquisition, increased margins, governmental wage subsidies</li> <li> Increased reported SG&amp;A</li> </ul>
NET LOSS	(\$2.0M)	(\$4.5M)	nm 	<ul style="list-style-type: none"> <li> Increased Adjusted EBITDA and income tax recovery, offset by increased depreciation, business acquisition and integration costs and financial expenses</li> </ul>

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# NORMALIZED GROSS MARGIN AND SG&A IMPROVEMENT

(In millions of \$)

	F2022-Q1	F2021-Q1
Revenues excluding R3D	\$82.9	\$70.7
Gross Profit excluding R3D	\$25.4	\$20.4
Increased Costs on Large Project	\$2.5	\$0.1
Governmental Wage Subsidies	(\$4.8)	(\$1.3)
<b>Normalized Gross Profit excluding R3D<sup>(1)</sup></b>	<b>\$23.1</b>	<b>\$19.2</b>
<i>As a % of Revenues</i>	27.9%	27.2%
	F2022-Q1	F2021-Q4
Total Revenues	\$102.9	\$78.0
Reported SG&A	\$22.7	\$21.7
EBITDA Adjustments <sup>(1)</sup>	(\$1.2)	(\$1.4)
<b>Adjusted SG&amp;A<sup>(1)</sup></b>	<b>\$21.5</b>	<b>\$20.3</b>
<i>As a % of Revenues</i>	20.9%	26.1%
R3D SG&A	(\$1.8)	-
<b>Adjusted SG&amp;A<sup>(1)</sup> excluding R3D</b>	<b>\$19.7</b>	<b>\$20.3</b>

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# F2022-Q1 LIQUIDITY AND FINANCIAL POSITION

- > Net cash from operating activities was \$0.5 million in the first quarter of fiscal 2022, representing a decrease from \$7.4 million of cash from operating activities for the same period last year
  - > Mainly from positive working capital variations
- > Net bank borrowing<sup>(1)</sup> reached \$30.6 million, an increase from \$21.1 million as at March 31, 2021.
  - > Reflecting \$13.9M in cash and restricted cash
  - > The increase in net bank borrowing<sup>(1)</sup> coming from the R3D acquisition
  - > Total long-term debt of \$62.4 million, including long-term debt and current portion of long-term debt
    - Including non-interest bearing balances of sale
    - Since the last quarterly reporting, Alithya received confirmation of full loan forgiveness by the US government of one of the two remaining PPP loans, out of five, and determined it had reasonable assurance for recognizing forgiveness on the last remaining loan

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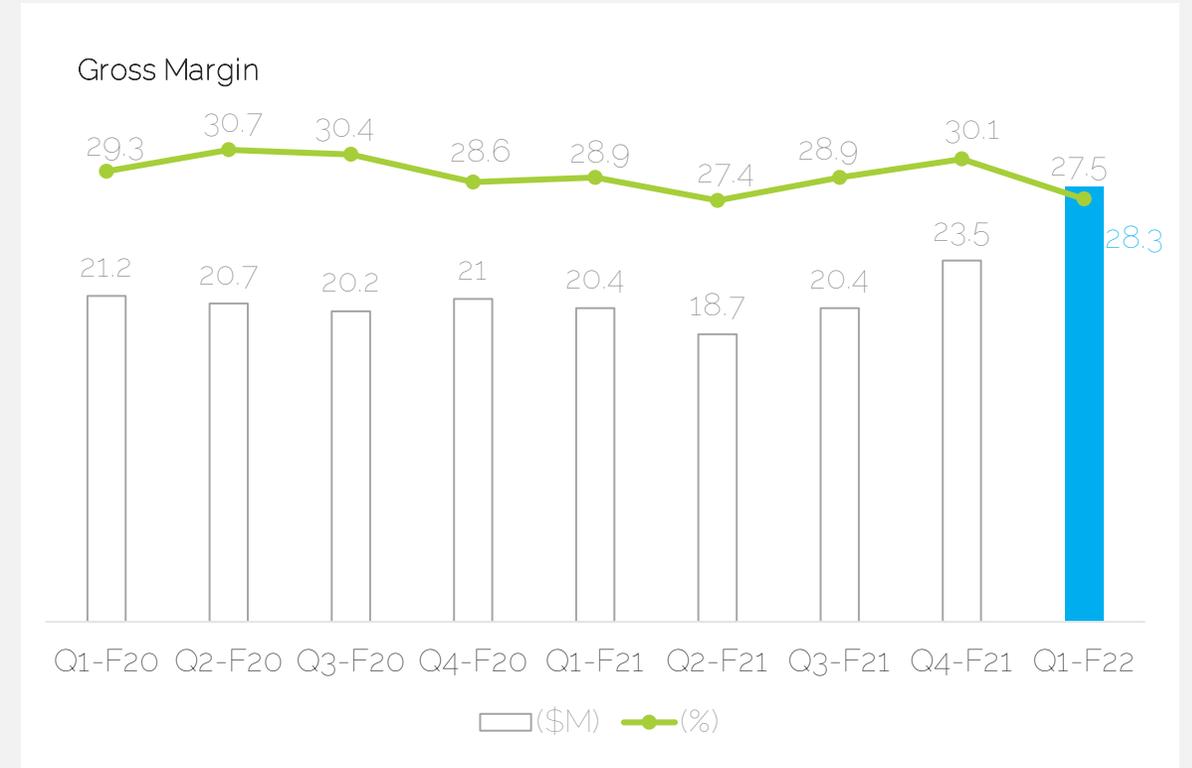
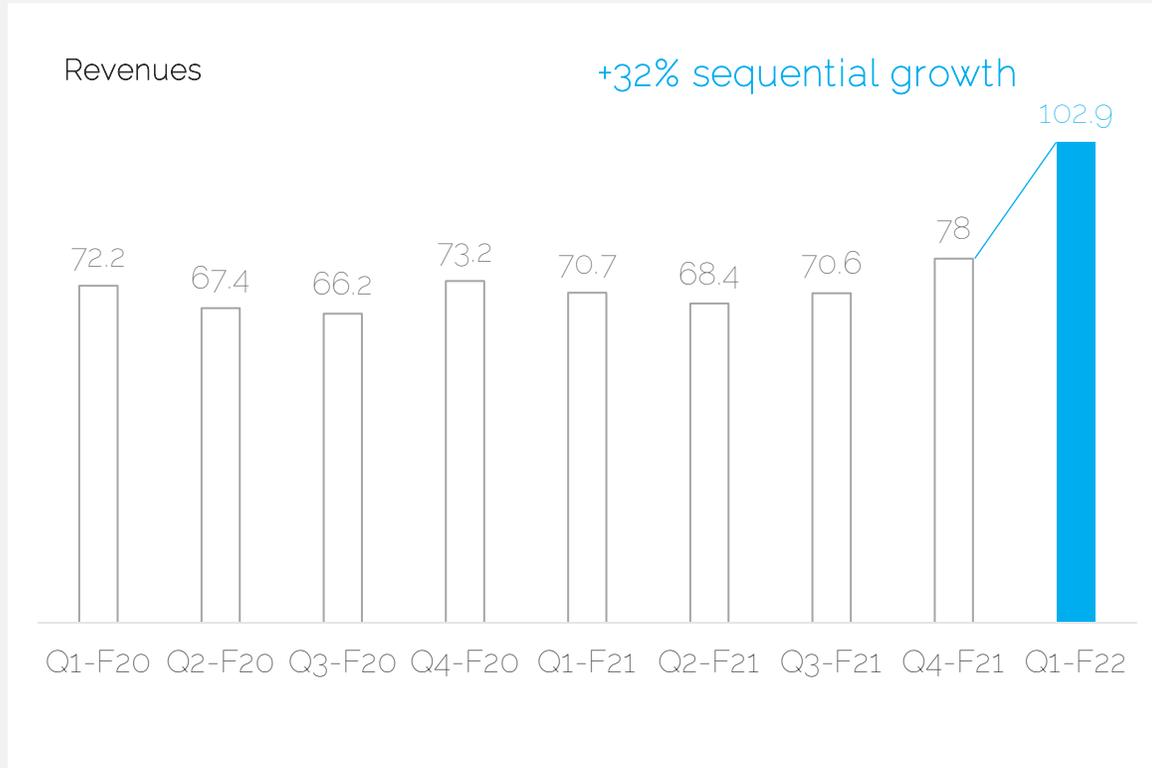
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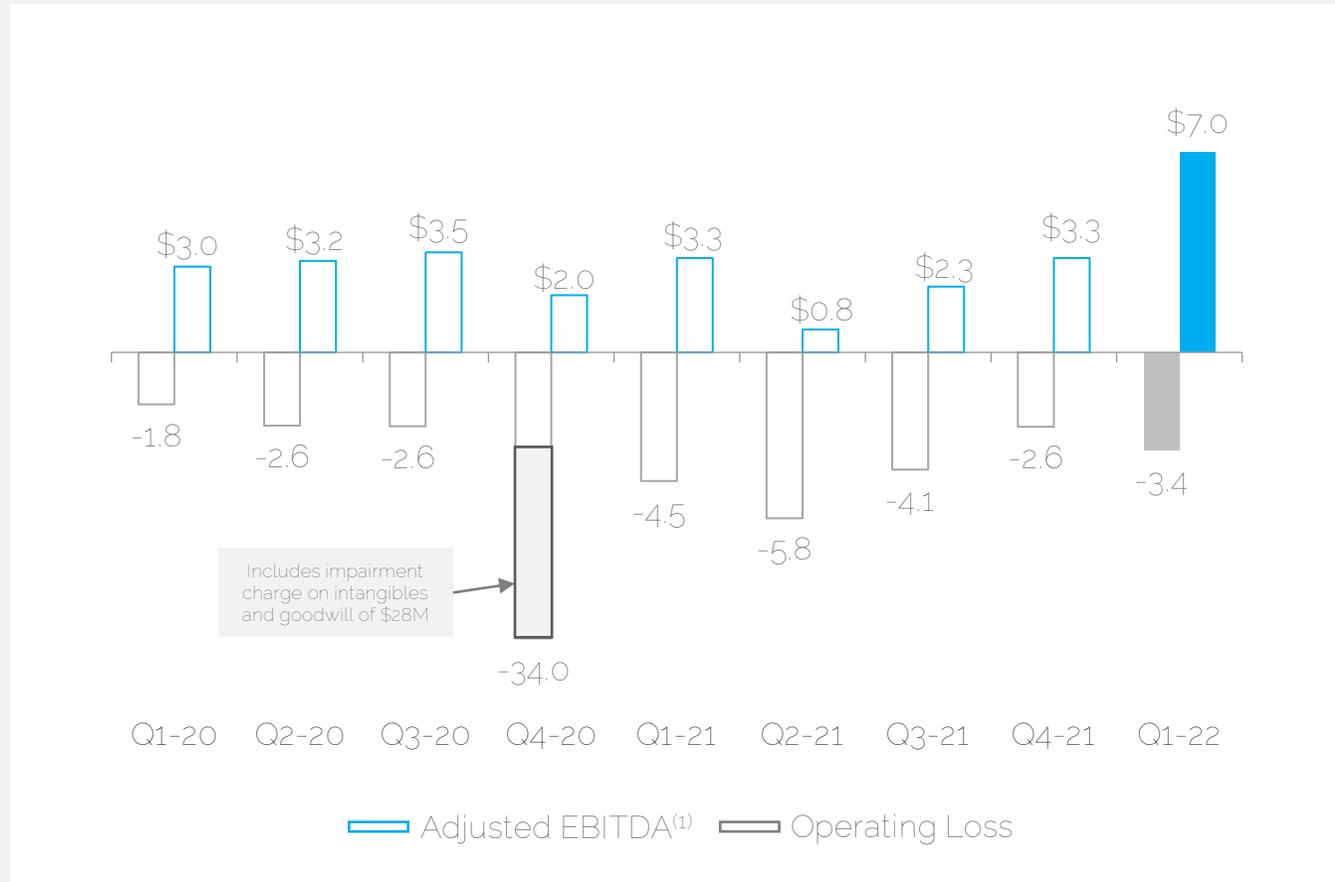
# APPENDIX: REVENUES AND GROSS MARGIN

(In millions of \$)



# APPENDIX: ADJUSTED EBITDA<sup>(1)</sup> AND OPERATING LOSS

(In millions of \$)



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