



# INVESTORS PRESENTATION

November 2019

**Alithya** 

# 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.

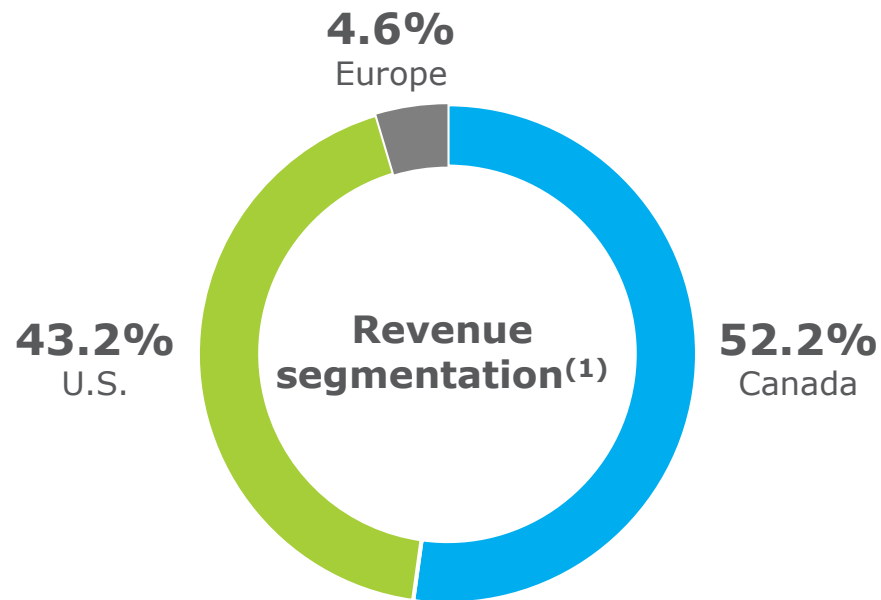
Forward-looking statements contained in this presentation are qualified by these cautionary statements and are made only as of the date of this presentation. Alithya expressly disclaims any obligation to update or alter forward-looking statements, or the factors or assumptions underlying them, whether 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 second quarter ended September 30, 2019 for further details.

# WHO WE ARE

## A NORTH AMERICAN STRATEGY AND DIGITAL TRANSFORMATION LEADER

Specialized in designing innovative and efficient solutions for complex digital integration and business challenges



**2,000**

Professionals

**1992**

Foundation



Strategic Partner

**ORACLE®**

Strategic Partner

- > Second largest system integrator in Canada
- > Proven industry consolidator in highly fragmented market
- > Operating within faster growing segments of the overall IT sector
- > Solid financial position

(1) Revenue segmentation based on Q2-20.

# EXPANDED PRESENCE IN NORTH AMERICA



## Canada

**3**

Provinces

**1,500**

Professionals

## United States

**37**

States

**430**

Professionals



## Europe (France)

**4**

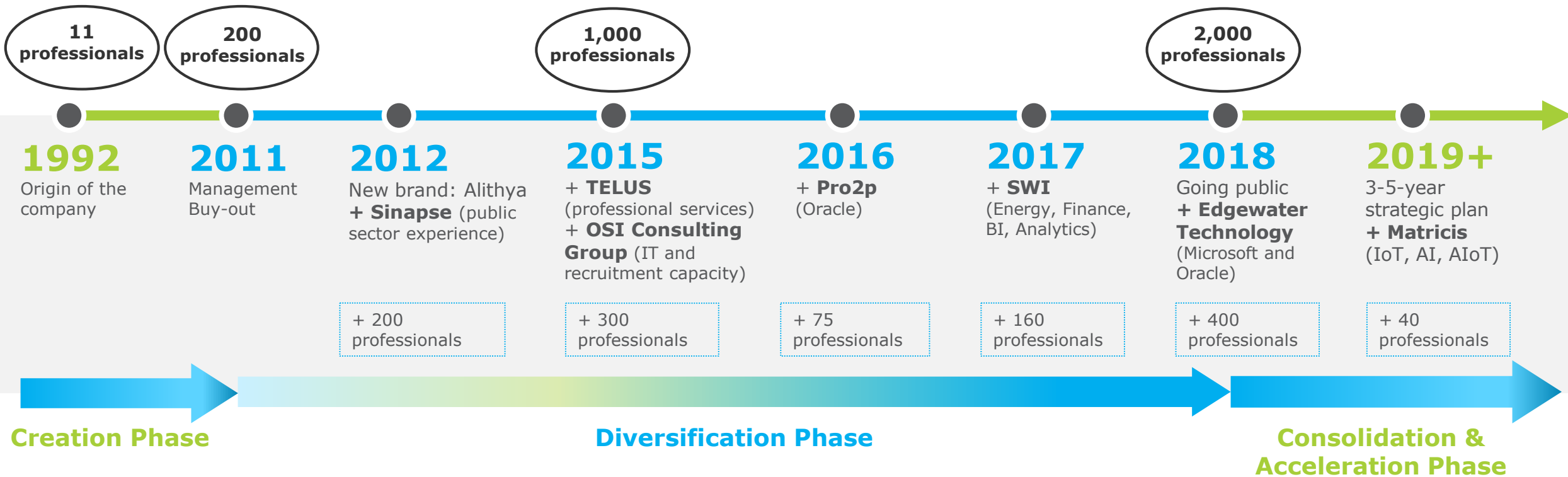
Locations

**120**

Professionals

# A PROVEN GROWTH STRATEGY

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



# INTEGRATED OFFERINGS

## Business strategy

- > Strategic Consulting
- > Digital Transformation
- > Organizational Performance
- > Enterprise Architecture

## Application services

- > Digital Applications Development
- > Legacy Systems Modernization
- > Control/Software Engineering
- > Cloud and Infrastructure

## Enterprise solutions

- > Enterprise Resource Planning (ERP)
- > Corporate Performance Management (CPM/EPM)
- > Customer Relationship Management (CRM/CXM)

## Data and analytics

- > Business Intelligence
- > Data Management
- > Artificial Intelligence and Machine Learning
- > Internet of Things (IoT)

# BUSINESS SECTORS



Financial Services



Manufacturing



Energy



Transportation  
and Logistics



Telecommunications



Healthcare



Professional Services



Government



## F2020-Q2 RESULTS

**Alithya** 


















# F2020-Q2 HIGHLIGHTS

- > Revenues up 81.6% to \$67.4M primarily due to the contribution of the US acquisition
- > Gross margin increased on a sequential basis over the past four quarters, mainly driven by the US acquisition – from Q2-2019 to Q2-2020, margin increased from 20.8% to 30.7%
- > Adjusted EBITDA<sup>(1)</sup> up 263.7% to \$3.2M with a margin of 4.8%
- > On a sequential basis, when compared to Q1-2019, SG&A decreased 1.9%
- > Acquired Matricis Informatique Inc., subsequent to the end of the quarter
- > Divested the UK operations, subsequent to the end of the quarter

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

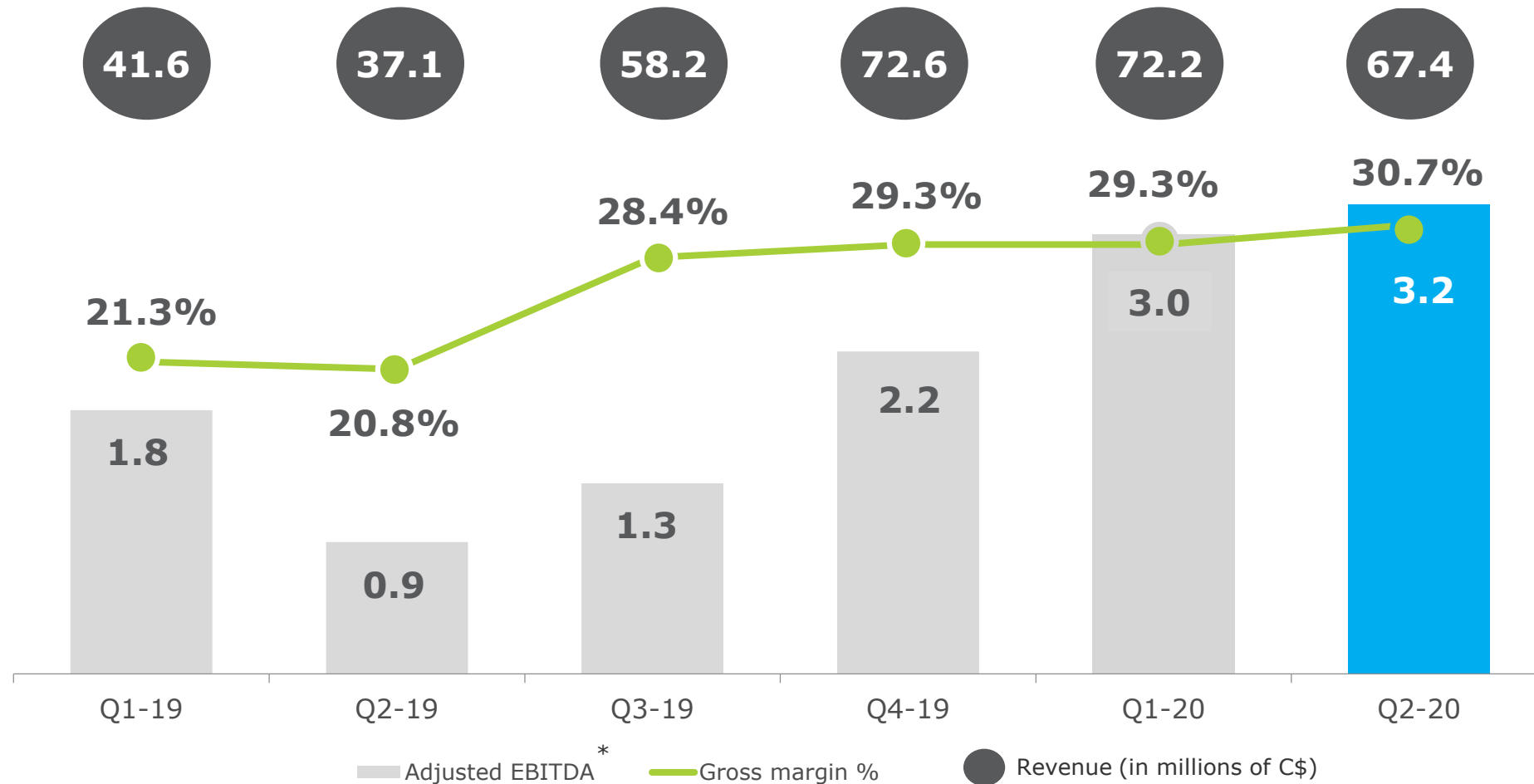
# F2020-Q2 FINANCIAL HIGHLIGHTS

## Strong revenue growth and continued margin expansion

	F2020-Q2	F2019-Q2		
<b>REVENUES</b>	<b>\$67.4M</b>	<b>\$37.1M</b>	<b>+81.6%</b> 	<ul style="list-style-type: none"> <li> US Acquisition</li> <li> Pre-US acquisition revenues</li> </ul>
<b>GROSS MARGIN</b>	<b>\$20.7M</b>	<b>\$7.7M</b>	<b>+167.9%</b> 	<ul style="list-style-type: none"> <li> US Acquisition</li> <li> Other areas of the business</li> </ul>
<b>GROSS MARGIN (%)</b>	<b>30.7%</b>	<b>20.8%</b>	<b>+990bps</b> 	<ul style="list-style-type: none"> <li> US Acquisition</li> <li> Other areas of the business</li> </ul>
<b>ADJUSTED EBITDA<sup>(1)</sup></b>	<b>\$3.2M</b>	<b>\$0.9M</b>	<b>+263.7%</b> 	<ul style="list-style-type: none"> <li> US acquisition</li> <li> Increased margins in other areas of the business</li> <li> Impact of the adoption of IFRS 16 – Leases</li> <li> Recurring and non-recurring expenses related to becoming a public company and expanding the business</li> <li></li> </ul>

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# ACCELERATING GROWTH WITH ACQUISITIONS

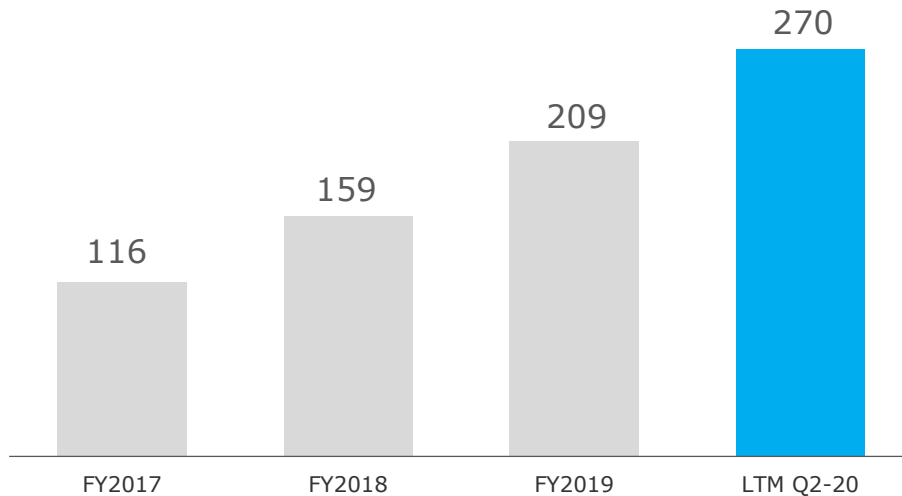


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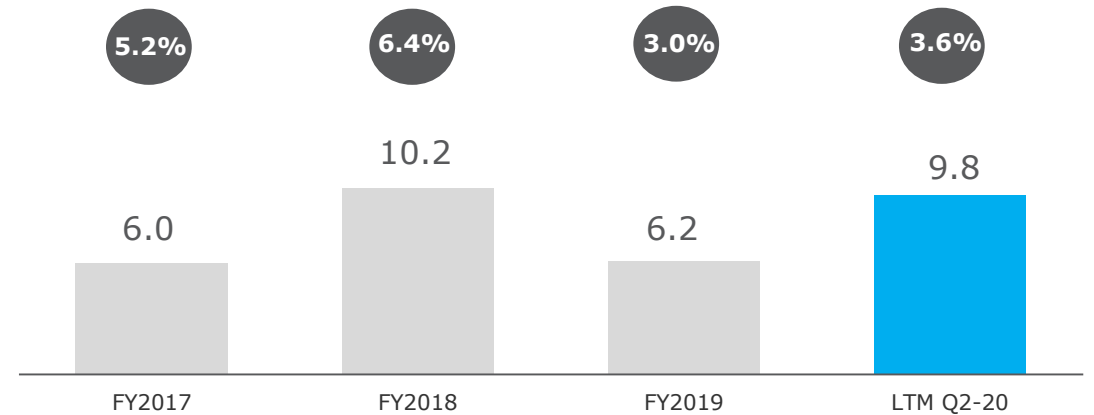
# HISTORICAL RESULTS

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

**Net Revenues**  
(in millions of C\$)



**Adj. EBITDA<sup>(1)</sup> & Adj. EBITDA MARGIN<sup>(1)</sup>**  
(in millions of C\$ and in %)



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## STRATEGY

**Alithya** 

# OUR LONG-TERM STRATEGY

## CREATION PHASE (1992-2011)

- > Regional firm progressively growing through small acquisitions in Canada and in France
- 

## DIVERSIFICATION PHASE (2011-2018)

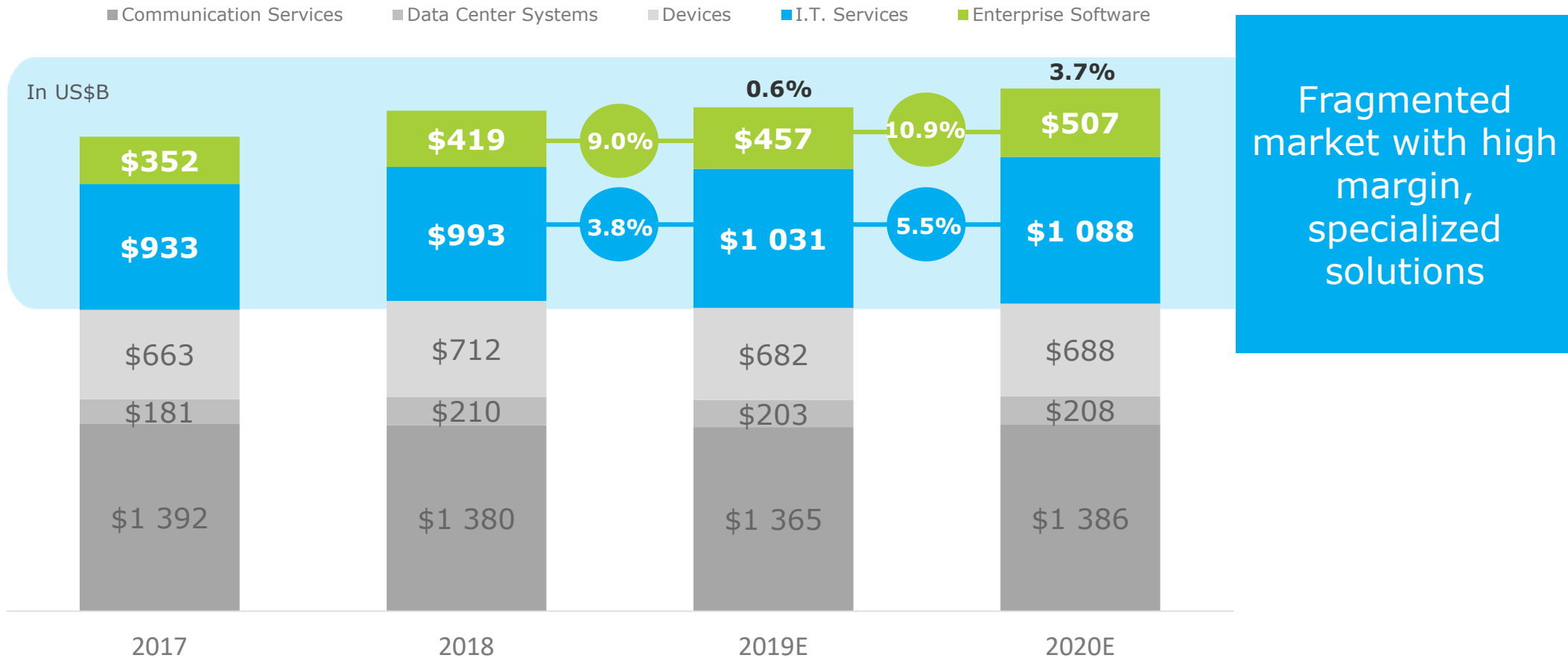
- > 7 strategic acquisitions
    - Diversifying from staff augmentation to strategy and digital transformation
    - Moving to higher added value segments
    - Enlarging geographic footprint to the United States
  - > Form 200 to 2,000 professionals
- 

## CONSOLIDATION AND ACCELERATION PHASE (2019+)

- > Our 3-5 year strategic plan

# FOCUS ON FASTEST GROWING SEGMENTS OF THE IT SECTOR

**Enterprise Software and I.T. Services are expected to reach US\$1,595B in projected spending in 2020**

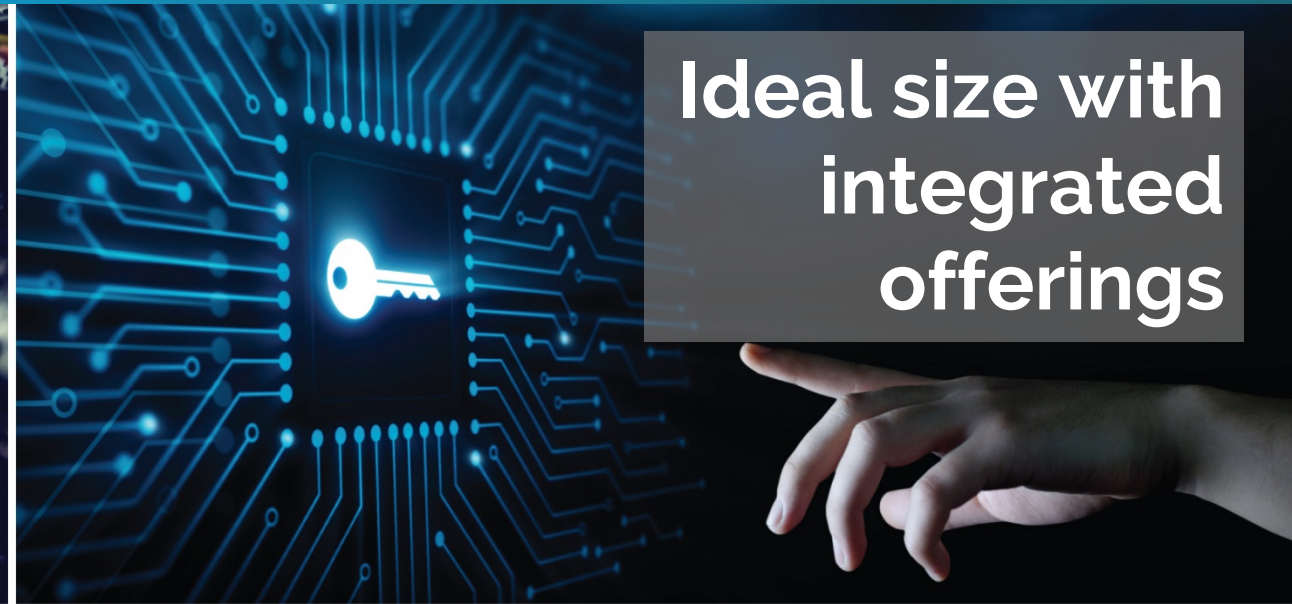


Source: Gartner Global I.T. Spending Forecast, July 2019

# OUR STRATEGIC FRAMEWORK



**Best-in-class  
experts**



**Ideal size with  
integrated  
offerings**



**Judicious  
positioning in the  
value chain**



**Strategic  
geographic  
presence**



# OUR 3-5 YEAR STRATEGIC PLAN

**1** Increasing scale through organic growth and complementary acquisitions

**2** Achieving best-in-class employee engagement

**3** Providing our investors, partners and stakeholders with long-term growing return on investment



Increasing scale through organic growth and complementary acquisitions

- > Innovation, higher-value offerings and relationships based on trust
- > North-America geographic expansion, major integrated enterprise solutions offerings and selected specialized expertise

# OUR 3-5 YEAR STRATEGIC PLAN

**1** Increasing scale through organic growth and complementary acquisitions

**2** Achieving best-in-class employee engagement

**3** Providing our investors, partners and stakeholders with long-term growing return on investment



## 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 professionals

# OUR 3-5 YEAR STRATEGIC PLAN

**1** Increasing scale through organic growth and complementary acquisitions

**2** Achieving best-in-class employee engagement

**3** Providing our investors, partners and stakeholders with long-term growing return on investment

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 value
- > Investing in innovation and higher value service offerings
- > Act responsibly, with a sustainable and respectful vision for our stakeholders



# INVESTMENT THESIS

- ① Proven industry consolidator in highly fragmented market
- ② Short-term synergies and cross-selling with the US acquisition
- ③ Expanded geographic presence in the US
- ④ Operates within faster growing segments of the overall IT sector
- ⑤ Solid financial position
- ⑥ Experienced executive team

# AN EXPERIENCED EXECUTIVE TEAM



**Nathalie Forcier**  
*Chief Legal Officer &  
Corporate Secretary*

Senior legal executive who held positions for large international publicly-traded services, technology and IT firms, and with a national law firm.



**Robert Lamarre**  
*Chief Information Officer*

Seasoned executive in the digital industry, in the integration of acquisitions, the management of real estate portfolios and procurement processes



**Natalie Piccinin**  
*Senior Vice President,  
Human Capital*

Human Resource executive with a solid background in organizational efficiency, talent and performance management, as well as employee engagement for several companies.



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

A former officer in the Canadian Armed Forces and an accomplished executive who held several key senior management positions in a major IT firm, namely as leader of their US North-Eastern operations.



**Claude Rousseau**  
*Chief Operating Officer*

Senior executive with extensive experience and expertise in overseeing large firms' business operations in sectors such as information technology and telecommunications.



**Claude Thibault**  
*Chief Financial Officer*

Experienced executive who served as CFO for a variety of companies, both private and publicly traded, operating in Canada and the US.

# ANALYST COVERAGE

**TSX:** ALYA

**NASDAQ:** ALYA

- > Jim Byrne - Acumen
- > Gavin Fairweather - Cormark Securities
- > Maher Yaghi - Desjardins Capital Markets
- > Amr Ezzat - Echelon Wealth Partners
- > Suthan Sukumar - Eight Capital
- > Deepak Kaushal - GMP Securities
- > Andrew McGee - National Bank Financial
- > Paul Steep - Scotiabank Global Banking and Markets



## **CONTACT INFORMATION**

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**Alithya** 