

Alithya reported on June 13, 2024, its results for the fourth quarter and fiscal 2024 ended March 31, 2024

Alithya reports continued performance improvement with record Gross Margin as a Percentage of Revenues and Adjusted EBITDA

Alithya

alithya.com

Forward looking statements, financial outlook and non-IFRS measures

Our presentations may contain “forward-looking information”, “forward-looking statements” and “financial outlook” within the meaning of applicable Canadian securities laws and the U.S. Private Securities Litigation Reform Act of 1995 and other applicable U.S. safe harbours (collectively “forward-looking statements”). Forward-looking statements include, without limitation, estimates, plans, expectations, forecasts, projections and other information and statements regarding the future growth, results of operations, performance and business prospects of Alithya which do not exclusively relate to historical facts or which refer to the characterizations of future events or circumstances. This includes statements regarding our expectations of clients' demands for our services, our ability to take advantage of business opportunities and meet our goals set in our three-year strategic plan, our ability to maintain and develop our business, including by broadening the scope of our service offerings, by leveraging artificial intelligence (“AI”), our geographic presence, our expertise, and our integrated offerings, and by entering into new contracts and penetrating new markets, our strategy, future operations, and prospects, including our expectations regarding future revenue resulting from bookings and backlog and providing stakeholders with long-term growing return on investment, our ability to service our debt and raise additional capital, our estimates regarding our financial performance, including our revenues, profitability, and costs and expenses, our ability to target suitable acquisitions and realize synergies, and our ability to balance, meet and exceed the needs of our stakeholders.

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, 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 for the year ended March 31, 2024 (the “MD&A”), 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.sedarplus.com and EDGAR at www.sec.gov. Forward-looking statements contained herein and expressed in our presentations are expressly qualified in their entirety by these cautionary statements and are made only as of the date hereof. 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.

Non-IFRS and other financial measures

Alithya reports its financial results in accordance with International Financial Reporting Standards (“IFRS”). Alithya uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with IFRS. Regulation 52-112 respecting Non-IFRS and Other Financial Measures Disclosure (“Regulation 52-112”) prescribes disclosure requirements that apply to the following types of measures used by Alithya: (i) non-IFRS financial measures and (ii) other financial measures.

In our presentations, the following non-IFRS and other financial measures are used: Adjusted Net Earnings, Adjusted Net Earnings per Share; EBITDA; EBITDA Margin; Adjusted EBITDA; Adjusted EBITDA Margin; Constant Dollar Revenue; Constant Dollar Growth; Net Debt; Net Debt over Trailing Twelve Months (TTM) Adjusted EBITDA; Gross Margin as a Percentage of Revenues; Selling, General and Administrative Expenses (“SG&A”) as a Percentage of Revenues; Bookings; Book-to-Bill Ratio; Backlog; and DSO.

Additional details for these non-IFRS and other financial measures can be found in section 5 titled “Non-IFRS and Other Financial Measures” of Alithya’s MD&A filed on SEDAR+ at www.sedarplus.com and EDGAR at www.edgar.gov, which includes explanations of the composition and usefulness of these non-IFRS and other financial measures and which is hereby incorporated by reference. Reconciliations of non-IFRS measures to the most directly comparable IFRS measures are also provided in the MD&A.

These measures are provided as additional information to complement IFRS measures by providing further understanding of our results of operations from our perspective. They do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. They should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS. They are used to provide investors with additional insight of our operating performance and thus highlight trends in Alithya’s business that may not otherwise be apparent when relying solely on IFRS measures.

All amounts are in Canadian dollars unless otherwise indicated.

Presenters



Paul Raymond
President and Chief
Executive Officer



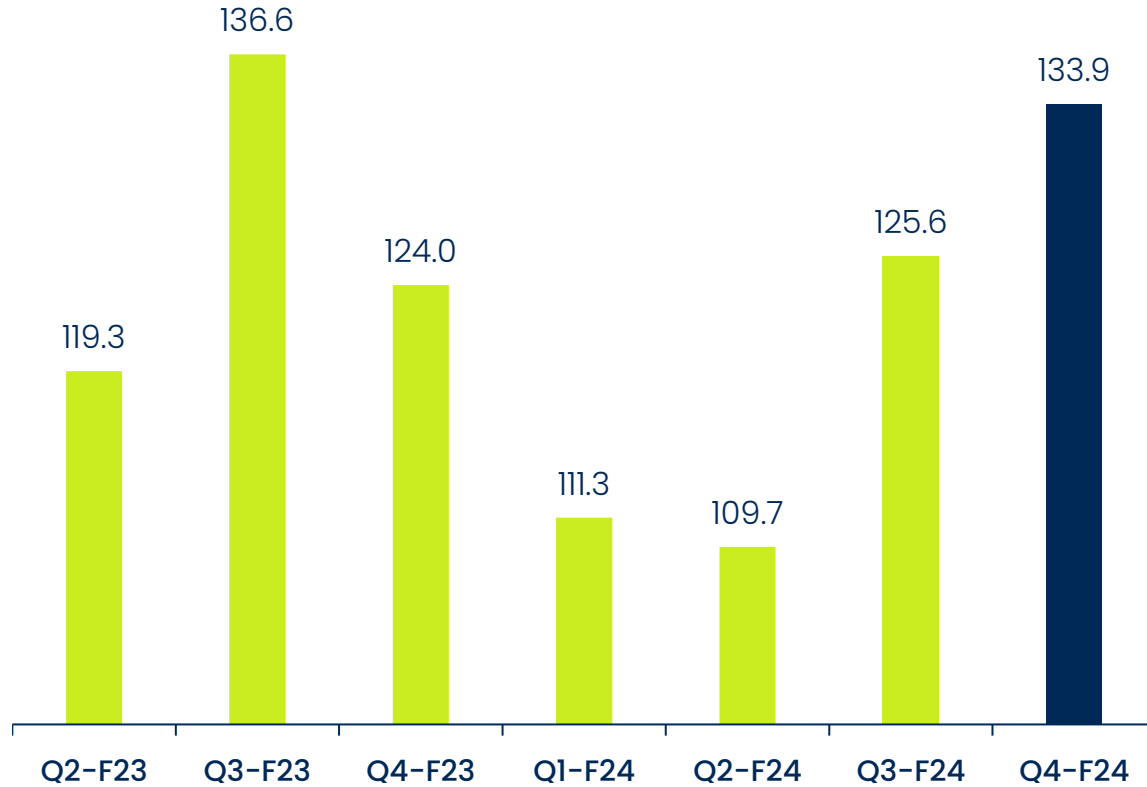
Bernard Dockrill
Chief Operating Officer



Claude Thibault
Chief Financial Officer

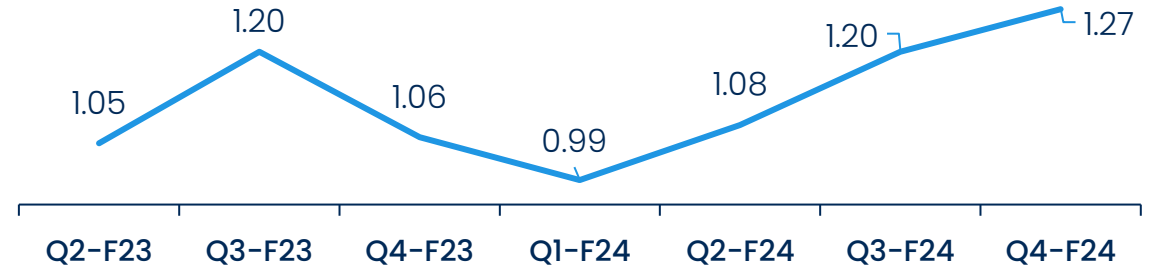
Bookings evolution

Bookings⁽¹⁾
(in millions of \$)

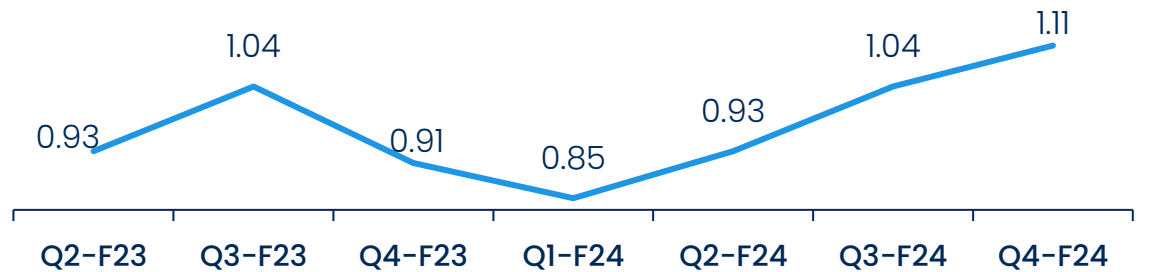


Book-to-bill ratio⁽¹⁾

When revenues from the two long-term contracts, signed as part of an acquisition in F2022-Q1, are excluded:



When revenues from the two long-term contracts, signed as part of an acquisition in F2022-Q1, are included:



(1) These are other financial measures without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. See "Non-IFRS and Other Financial Measures" on slide 2.

Large win in the healthcare sector



Groundbreaking Oracle ERP multimillion-dollar contract for services to be provided to the Health and Social Services Ministry in Quebec.

3-year deal for cybersecurity



Secured a \$14M operational technology implementation with a major energy provider, reinforcing our leadership in the sector.

Opportunities to grow our revenues



The growth in IT spending within the Canadian market enables us to better utilize our smart shore capabilities.

Highwater marks in the US



The US market accounted for 54% of our overall operating income in Q4, up from 38% year-over-year.

Multi deployments



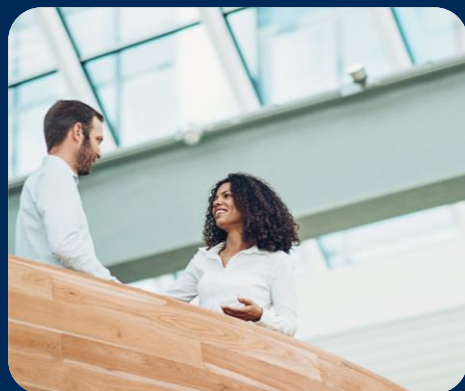
Third Microsoft enterprise solution go-live for a major international wholesaler.

12-million-dollar US contract



Alithya's largest Oracle healthcare win in the US to date.

Smart shore progress



At present, more than 8% of our total workforce is based outside our main regions of Canada, the US, and France.

Alithya Copilot Academy



Proactively investing in our clients' AI upskilling.

Alithya's AI-assisted IP



Well-positioned to help clients prepare, capture, and structure their data using our proprietary Rapid Capture tool.

F2024-Q4 quarterly performance

	F2024-Q4	F2024-Q3	QoQ	F2023-Q4	YoY
Revenues	\$120.5M	\$120.5M	\$0.1M	\$136.2M	(11.5%)
Gross margin	\$38.7M	\$37.7M	2.7%	\$40.7M	(4.9%)
Gross margin as a percentage of revenues ⁽¹⁾	32.1%	31.3%	800 bps	29.9%	220 bps
SG&A expenses	\$29.6M	\$29.5M	0.3%	\$36.0M	(17.7%)
Adjusted EBITDA ⁽²⁾	\$10.5M	\$9.5M	10.5%	\$10.5M	0.4%
Adjusted EBITDA margin ⁽²⁾	8.7%	7.8%	900 bps	7.7%	100 bps
Net earnings (loss)	\$2.3M	(\$2.5M)	192%	(\$20.0M)	112%
Adjusted net earnings ⁽²⁾	\$6.1M	\$3.9M	56.4%	\$5.0M	21.1%

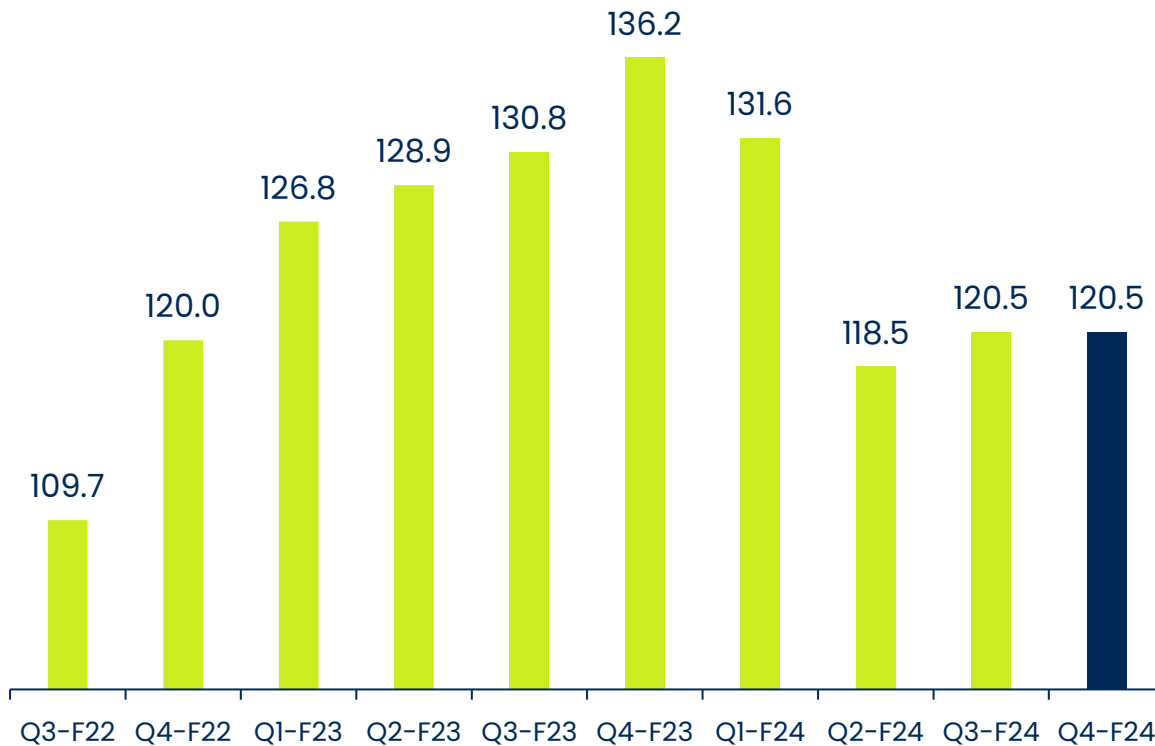
(1) This is an other financial measure without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. See "Non-IFRS and Other Financial Measures" on slide 2.

(2) These are non-IFRS financial measures without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. More information and quantitative reconciliations of Adjusted Net Earnings and Adjusted EBITDA to the most directly comparable IFRS measures are presented in the press release under the caption "Non-IFRS and Other Financial Measures".

Long-term performance trends

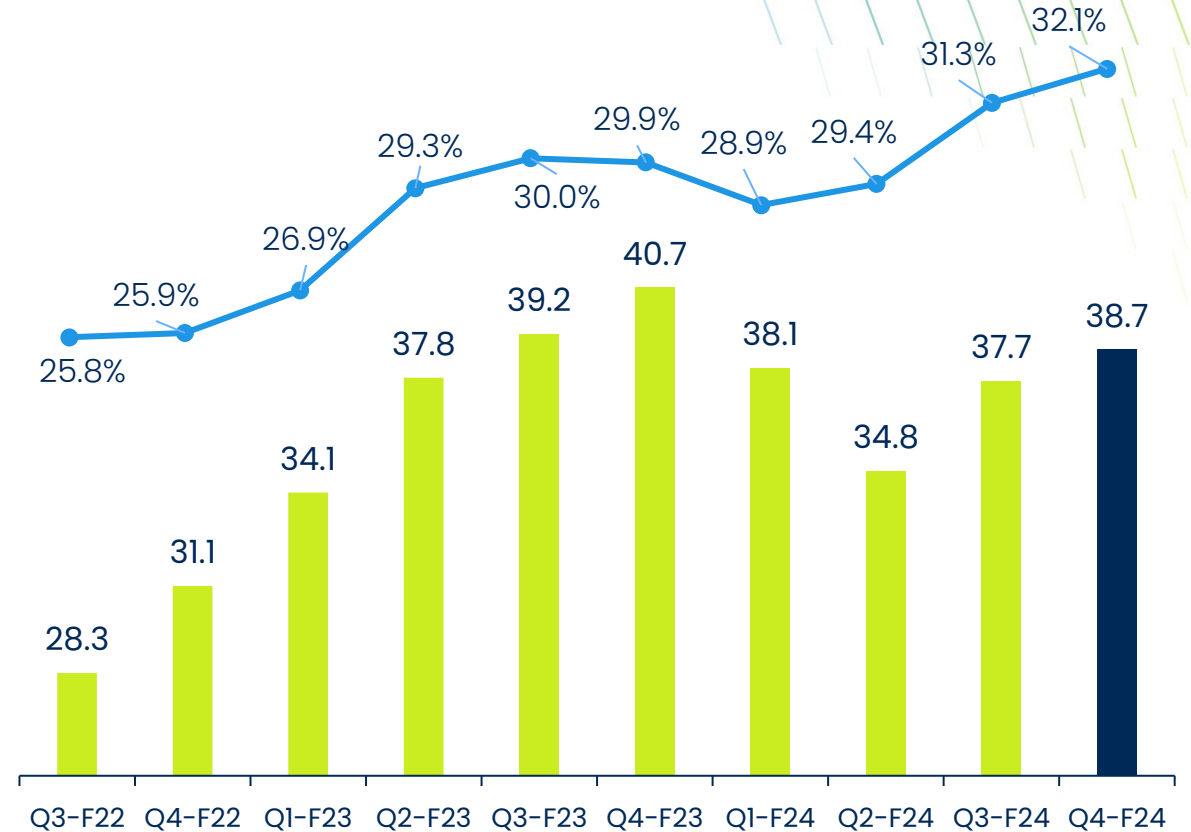
Revenue

(in millions of \$)



Gross margin

(in millions of \$, except for gross margin as a percentage of revenues)



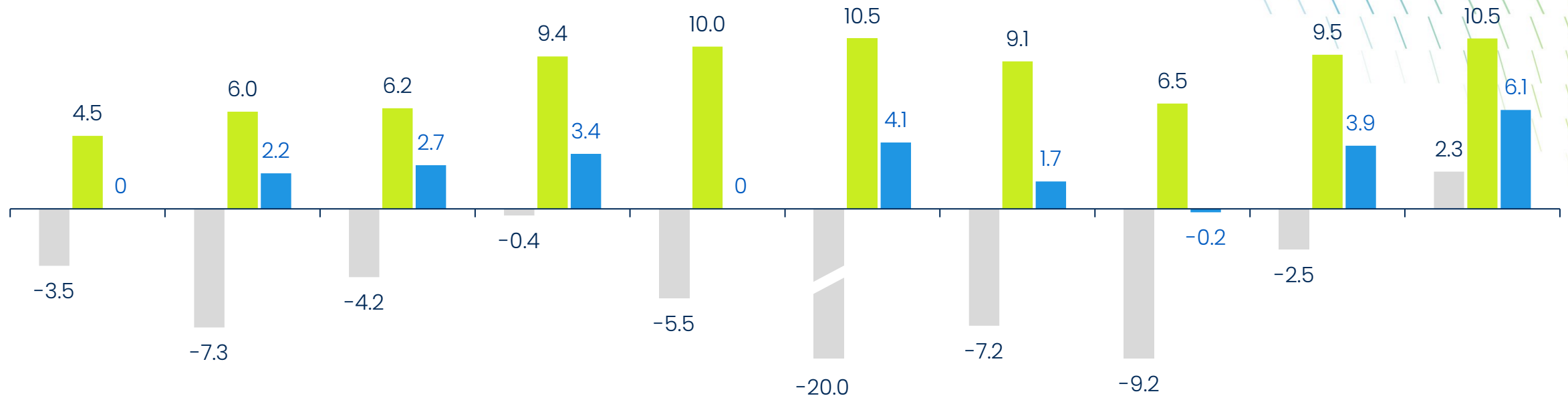
Long-term performance trends

(in millions of \$)

■ Net earnings (loss)

■ Adjusted EBITDA

■ Adjusted net earnings (loss)



Q3-F22

Q4-F22

Net loss includes \$6.1M of acquisition costs

Q1-F23

Q2-F23

Net loss includes \$6.0M income from deferred tax asset recognition

Q3-F23

Q4-F23

Net loss includes a contingent consideration charge and an impairment charge totaling \$12.9M

Q1-F24

Net loss includes an impairment of \$1.4M on property and equipment and right-of-use assets

Q2-F24

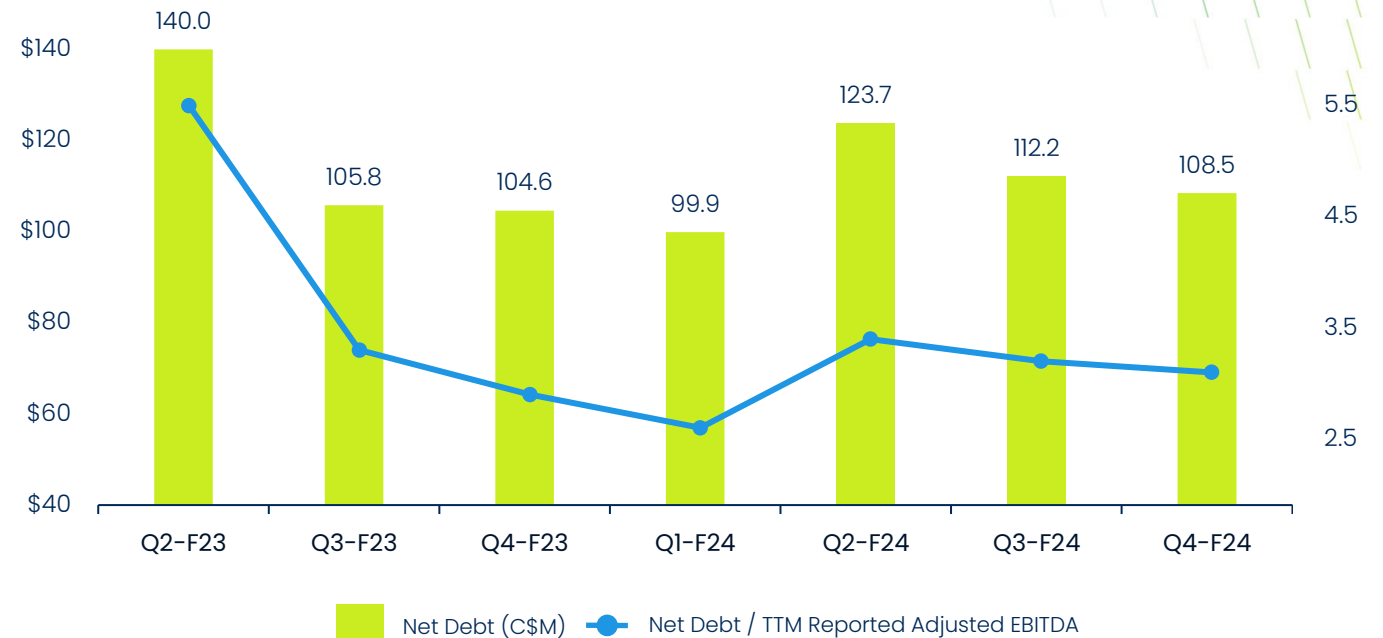
Net loss includes a \$1.1M provision on tax credits receivable related to previous periods

Q3-F24

Q4-F24

Liquidity and financial position

- / Net cash from operating activities was \$9.7M, representing an increase of 119.6% year-over-year
- / Total long-term debt reduction of \$9.8M, to \$117.4M, as of March 31, 2024
- / Net Debt / TTM Adjusted EBITDA⁽¹⁾ ratio decreasing



(1) This is non-IFRS and other financial measures without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. The Net Debt / TTM Adjusted EBITDA ratio is calculated by dividing the Net Debt by Adjusted EBITDA, on a trailing twelve-month basis. Management believes that this ratio provides information as to the company's leverage level, similar to bank covenants.

Strategic Plan F2025-2027

Alithya to host its Investor Day
in September 2024

Alithya



/ Strategic consulting

/ Enterprise transformation

/ Business enablement

Industries

Manufacturing / Healthcare / Financial Services / Insurance / Telecom / Government / Energy / Retail and Distribution / Higher Education

Accelerators

AI-designed options to deliver faster time to value: automated testing, document processing and data capture, digital training and skilling, shop floor operations, enterprise applications, compliance, and more...

Partners



ORACLE



Alithya

The Alithya team

Right talent, right location,
maximum value



F2025–F2027 financial targets

The objectives in our three-year strategic plan, including our organic growth, acquisition, and profitability objectives, are based on our current business plan and strategies and are not intended to be a forecast or a projection of future results. Rather, they are objectives that we seek to achieve from the execution of our strategy over time, and contemplate our historical performance and certain assumptions including but not limited to (i) our ability to execute our growth strategies, (ii) our ability to identify and acquire complementary businesses on accretive terms, and (iii) our estimates and expectations in relation to future economic and business conditions and other factors.

Alithya

- / **Annualized organic growth**
Between 5 and 10 percent
- / **Acquisitions**
Totaling \$150M of revenues
- / **Adjusted EBITDA margin**
Within the range of 11 to 13 percent
- / **Global capabilities**
Deliver an increasing percentage of business through smart shoring centers
- / **Carbon emissions**
Alithya endeavors to obtain Carbon Care Certification® (Level 1), and to initiate steps towards achieving carbon neutrality certification (Level 2)

Questions?

Alithya

alithya.com