

Fiscal 2025 third quarter ended December 31, 2024

Alithya sustains operational strength with continued solid margin improvement

Disclosed February 13, 2025

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 and our smart shore capabilities, 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 and the quarter ended December 31, 2024 (the “MD&As”), 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.

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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 may be used: Adjusted Net Earnings (Loss), Adjusted Net Earnings (Loss) 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 Days Sales Outstanding (DSO).

Additional details on these non-IFRS and other financial measures can be found in section 5 titled “Non-IFRS and Other Financial Measures” of Alithya’s MD&As 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&As.

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



Nicolas Lavoie
Chief Financial Officer

F2025-Q3 highlights

1

Record adjusted EBITDA margin: A key milestone in our three-year plan.

2

Record gross margin performance: A high-water mark for gross margin as a percentage of revenues.

3

Strong bookings: Reinforcing business momentum.

4

Growth in revenues: Sequential organic revenue growth across all geographies, with continued expansion in enterprise transformation and IP-based services.

5

Acquisition growth: Continued focus on higher margin complementary businesses.

XRM Vision acquisition



Industry knowledge and expertise: Supports Alithya's industry strategy to focus on financial services and insurance, manufacturing, healthcare, and public sector.



Asset-based solutions: Designed to centralize and streamline project management and financial oversight for project managers and finance departments.



Cost-effective smart shoring capabilities: Broadens Alithya's existing delivery capabilities in Morocco.



Market-leading partners: Increases capacity to deliver Microsoft Dynamics 365 CRM, Project Operations, and Power Platform.

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Acquisition terms

- / Purchase price of up to \$35M
 - Cash and share consideration: \$23M
 - Potential earnout payment of up to \$12M
- / 75% cash, 25% shares – Including deferred cash consideration over 3 years




Operational highlights

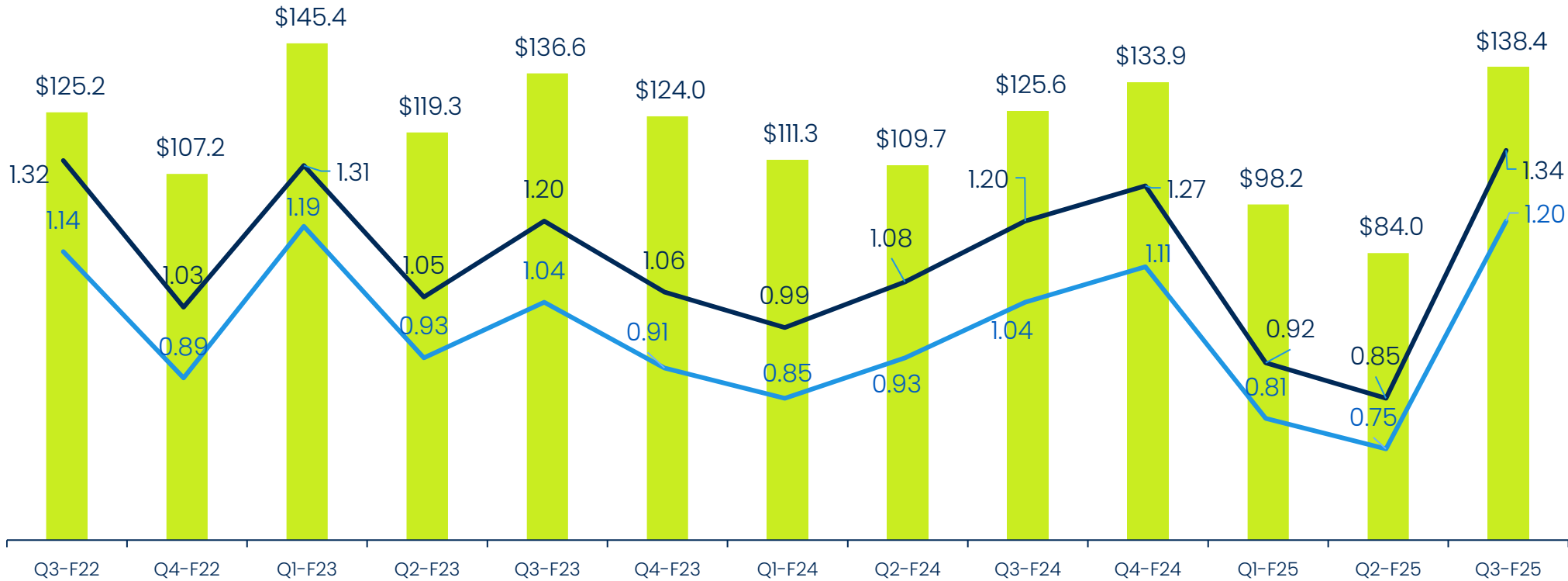
- 1 **Leveraging industry-first strategy**, including organizational change, to drive profitable growth.
- 2 **Strong bookings**, including **important wins in financial services and insurance**.
- 3 Signed multiple proof of concepts for **IP and AI based initiatives**, which also leverage Alithya's smart shoring services.
- 4 Performance of **enterprise transformation services exceeding expectations**.

Bookings⁽¹⁾ and book-to-bill ratio⁽¹⁾

Last 12 months	Bookings \$454.5M	Book-to-bill ratio 0.97	Book-to-bill ratio 1.10 <small>When excluding revenues from the two long-term contracts signed as part of an acquisition in F2022-Q1.</small>
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Legend

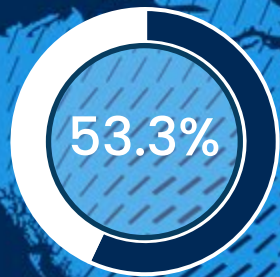
-  Book-to-bill ratio when revenues from the two long-term contracts signed as part of an acquisition in F2022-Q1 are excluded.
-  Book-to-bill ratio when revenues from the two long-term contracts signed as part of an acquisition in F2022-Q1 are included.
-  Bookings (in millions of \$)



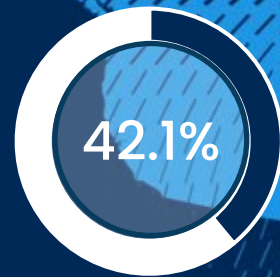
¹⁾ These are other financial measures without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. See "Non-IFRS and Other Financial Measures" at the beginning of this presentation.

Our global footprint

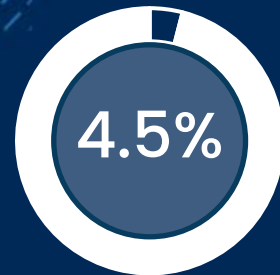
As of December 31, 2024



61.2%






23.9%



5.5%

9.3%

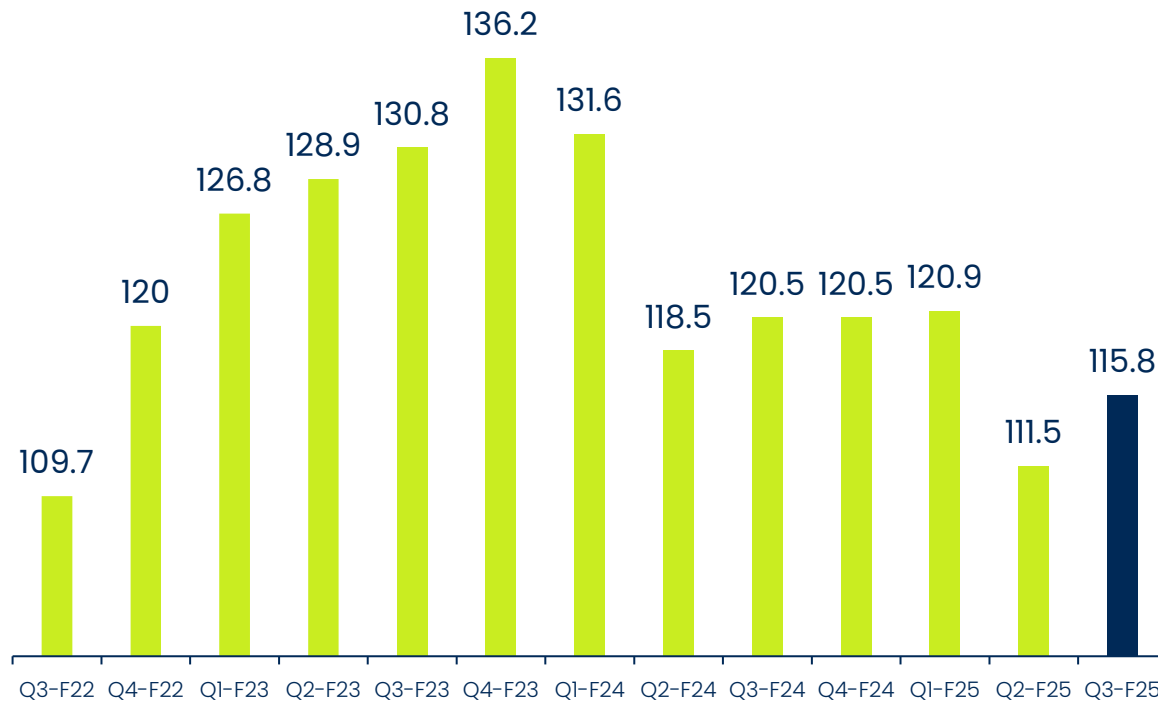
EASTERN EUROPE
INDIA
MOROCCO

-  % of our workforce in countries where we have clients
-  % of our workforce in our international delivery centers
-  % of our revenues in our target geographies

Long-term performance trends

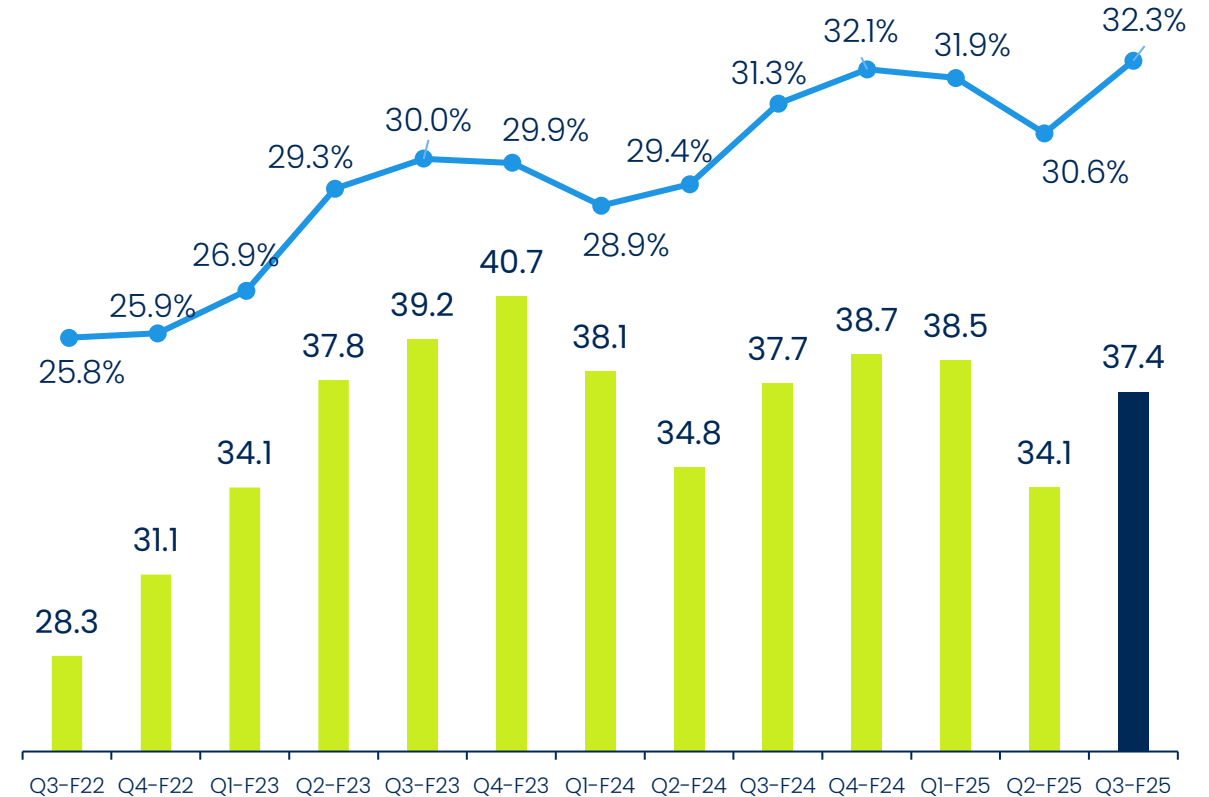
Revenues

(in millions of \$)



Gross margin

(in millions of \$, except for gross margin as a percentage of revenues⁽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" at the beginning of this presentation.

F2023-Q3 quarterly performance

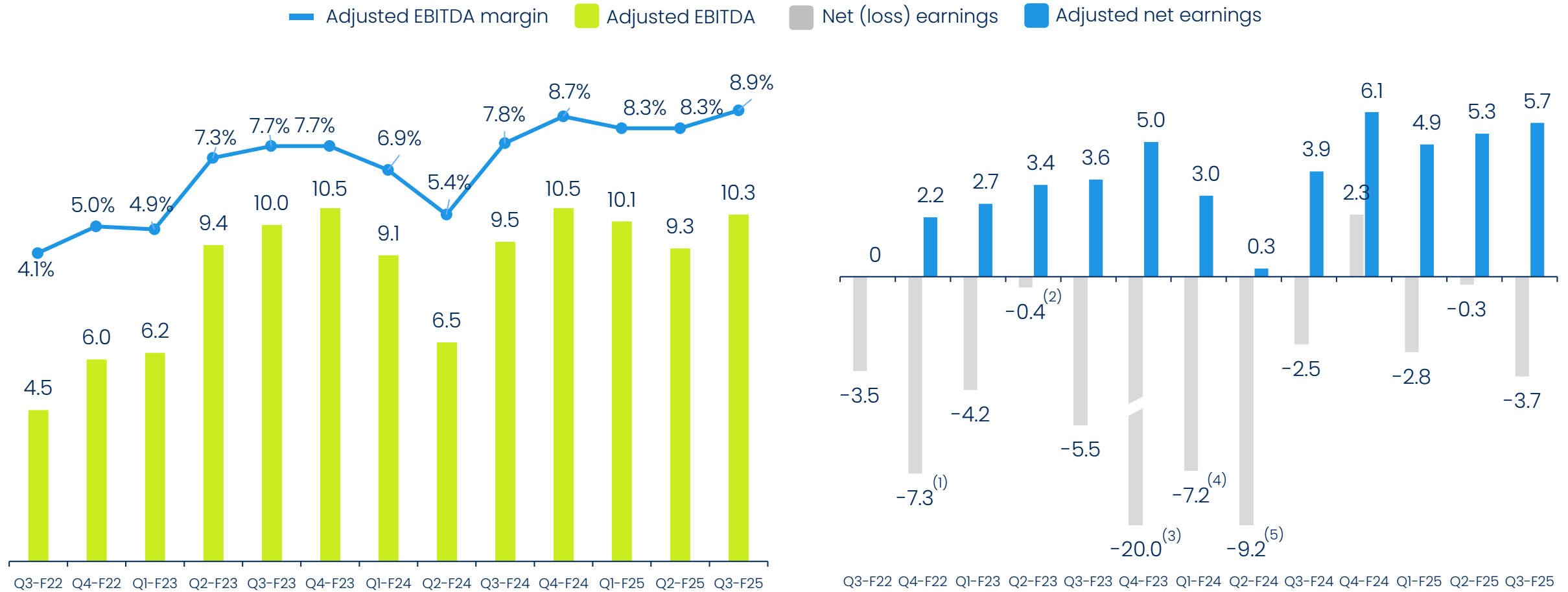
	F2025-Q3	F2025-Q2	QoQ	F2024-Q3	YoY
Revenues	\$115.8M	\$111.5M	3.9%	\$120.5M	(3.9%)
Gross margin	\$37.4M	\$34.1M	9.7%	\$37.7M	(0.8%)
Gross margin as a percentage of revenues ⁽¹⁾	32.3%	30.6%	170 bps	31.3%	100 bps
SG&A expenses	\$28.8M	\$25.9M	11.2%	\$29.5M	(2.4%)
SG&A expenses as a percentage of revenues ⁽¹⁾	24.9%	23.2%	170 bps	24.5%	40 bps
Net loss	(\$3.7M)	(\$0.3M)	n.m.	(\$2.5M)	(48.0%)
Adjusted net earnings ⁽²⁾	\$5.7M	\$5.3M	7.6%	\$4.3M	32.6%
Adjusted EBITDA ⁽²⁾	\$10.3M	\$9.3M	10.8%	\$9.5M	8.4%
Adjusted EBITDA margin ⁽²⁾	8.9%	8.3%	60 bps	7.8%	110 bps

(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" at the beginning of this presentation.

(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 these non-IFRS measures to the most directly comparable IFRS measures are presented in section 5 titled "Non-IFRS and Other Financial Measures" as well as the sections titled "Adjusted Net Earnings and Adjusted Net Earnings per Shares" and "EBITDA and Adjusted EBITDA" of Alithya's MD&As for the relevant periods.

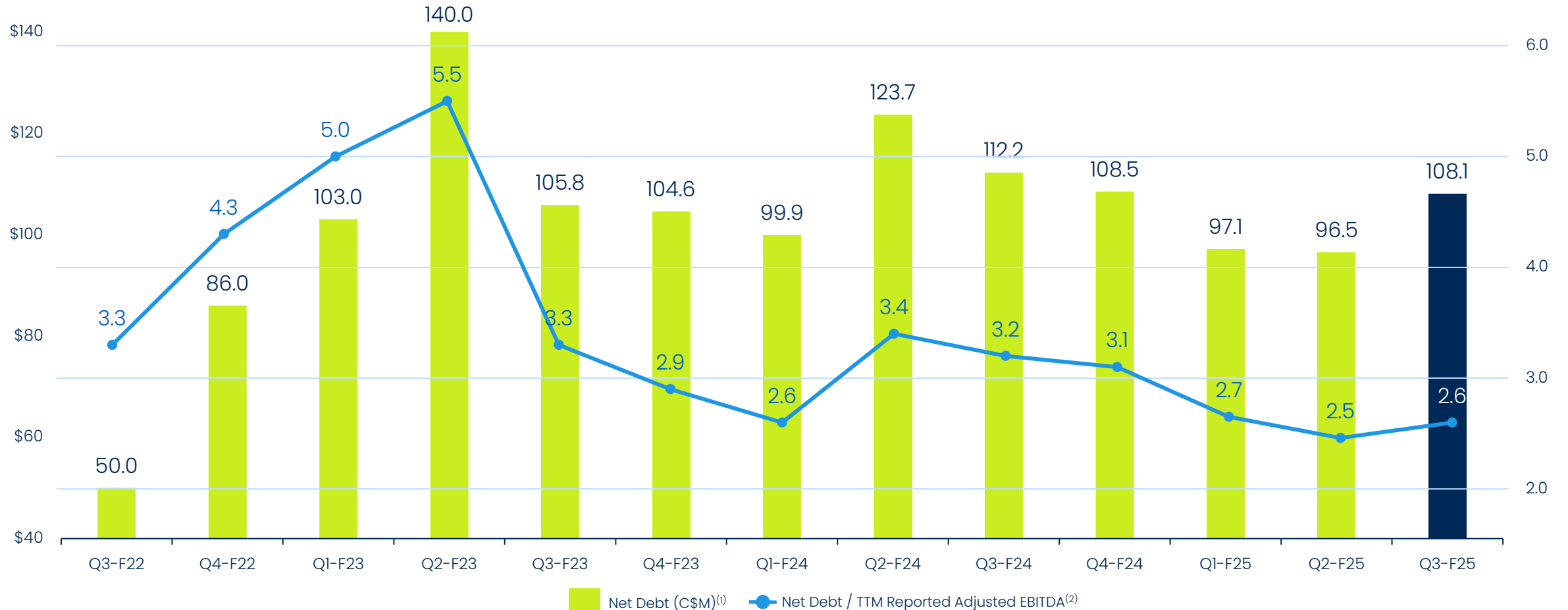
Long-term profitability trends

(in millions of \$)



- 1) Net loss includes \$6.1M of acquisition costs.
- 2) Net loss includes \$6.0M income from deferred tax asset recognition
- 3) Net loss includes a contingent consideration charge and an impairment charge totaling \$12.9M.
- 4) Net loss includes an impairment of \$1.4M on property and equipment and right-of-use assets.
- 5) Net loss includes a \$1.1M provision on tax credits receivable related to previous periods.

Net debt leverage ratio



(1) This is a non-IFRS measure without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. More information and a quantitative reconciliation of this non-IFRS measure to the most directly comparable IFRS measure are presented in section 5 titled "Non-IFRS and Other Financial Measures" as well as the section titled "Long-Term Debt and Net Debt" of Alithya's MD&As for the relevant periods.

(2) This is a non-IFRS measure without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. The Net Debt / Trailing Twelve Months (TTM) Adjusted EBITDA ratio is calculated by dividing the Net Debt by the 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.

Questions?

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