



Investor Presentation – Q3 FY23

August 11, 2023



Caution Regarding Forward Looking Statements

Certain information included in this document is forward-looking and is subject to important risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Such statements are generally accompanied by words such as “intend”, “anticipate”, “believe”, “estimate”, “expect” or similar statements. Factors which could cause results or events to differ from current expectations include, among other things: the impact of price competition; scarce number of qualified professionals; the impact of rapid technological and market change; loss of business or credit risk with major customers; technical risks on fixed price projects; general industry and market conditions and growth rates; international growth and global economic conditions, and including currency exchange rate fluctuations; and the impact of consolidations in the business services industry. For additional information with respect to certain of these and other factors, please see the Company’s most recent annual report and other reports filed by Calian with the Ontario Securities Commission. Calian disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

Q3-23 Consolidated Results

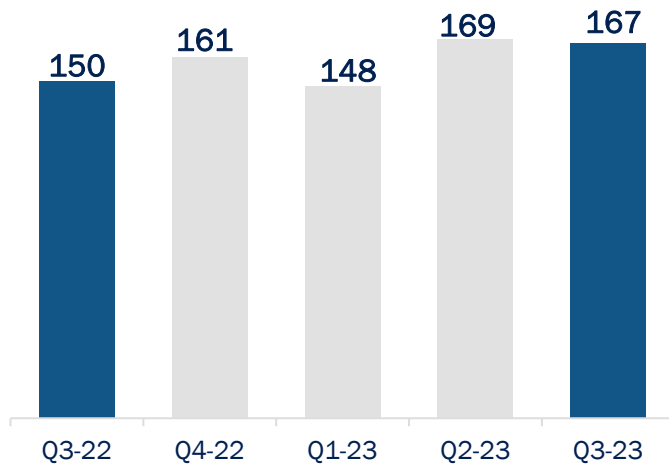
\$131M
Gross New Contract Signings

\$1.1B
Backlog

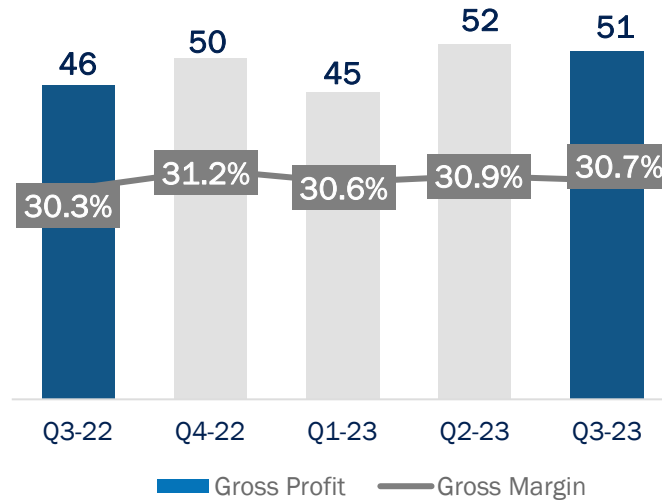
11%
Organic Growth

-%
Acquisitive Growth

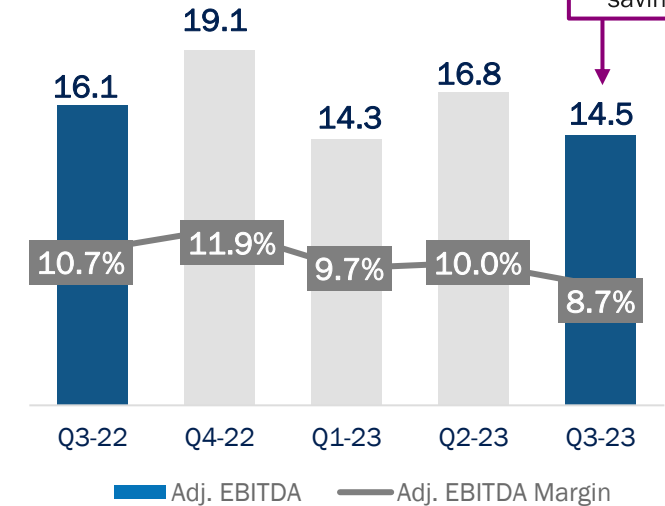
Revenues
(in millions of \$)



Gross Profit & Margin
(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹
(in millions of \$, except margin)



Implemented restructuring plan expected to generate annualized cost savings of \$8M

1) This is a non-GAAP measure. Please refer to the MD&A.

Q3-23 results were mixed –
implemented a restructuring plan expected to generate annualized cost savings of \$8M



Q3-23 ITCS

\$53M

Gross New Contract Signings

\$100M

Backlog

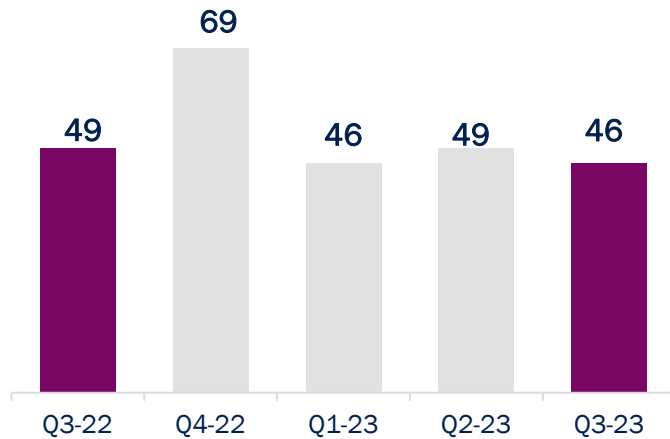
-6%

Organic Growth

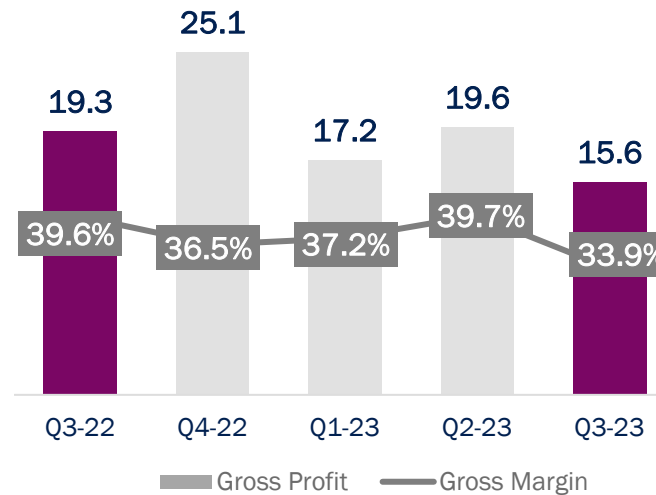
-%

Acquisitive Growth

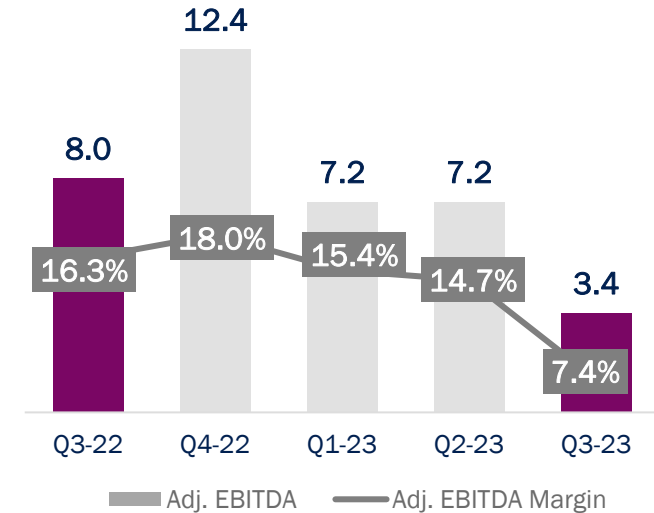
Revenues
(in millions of \$)



Gross Profit & Margin
(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹
(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

Q3 miss due to lower shipments in our product resale business

Q3-23 Health

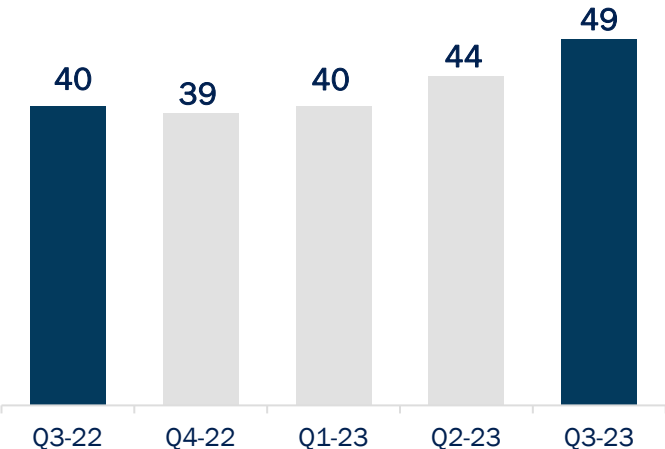
\$27M
Gross New Contract Signings

\$634M
Backlog

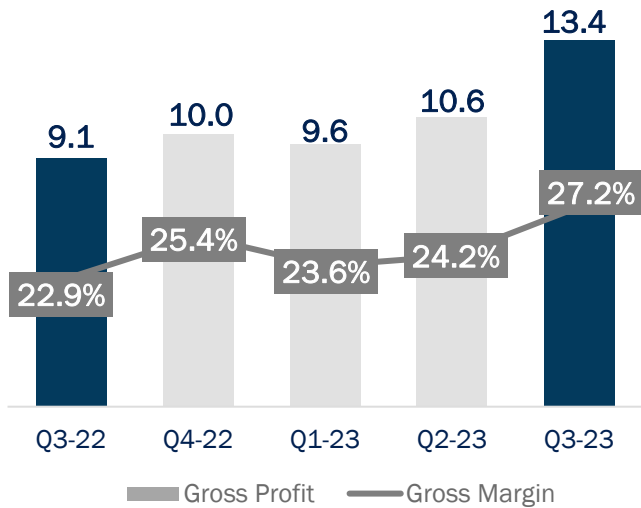
23%
Organic Growth

-%
Acquisitive Growth

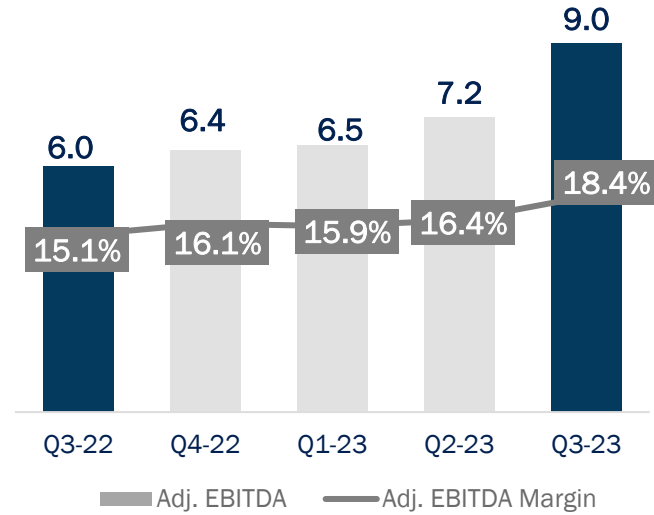
Revenues
(in millions of \$)



Gross Profit & Margin
(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹
(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

Health rebounded with its highest revenue since the peak of the pandemic



Q3-23 Advanced Technologies

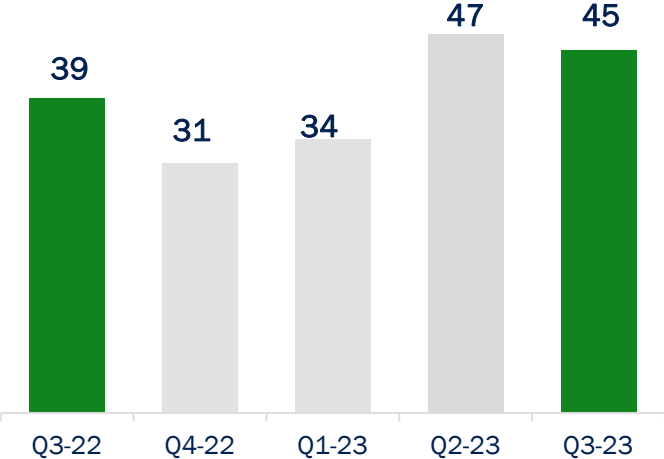
\$50M
Gross New Contract Signings

\$142M
Backlog

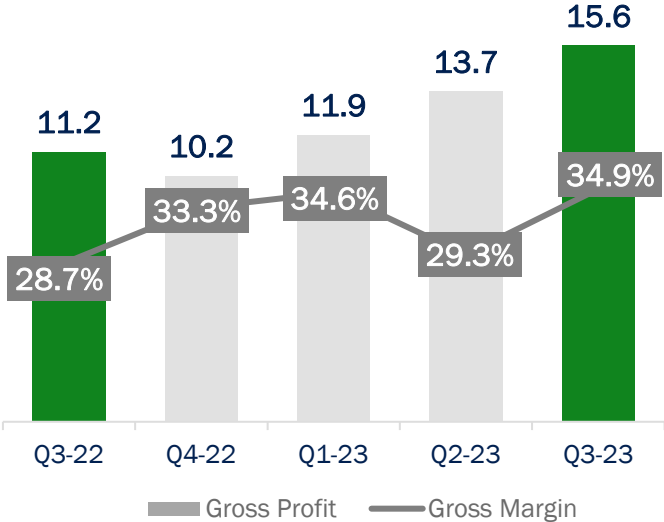
14%
Organic Growth

-%
Acquisitive Growth

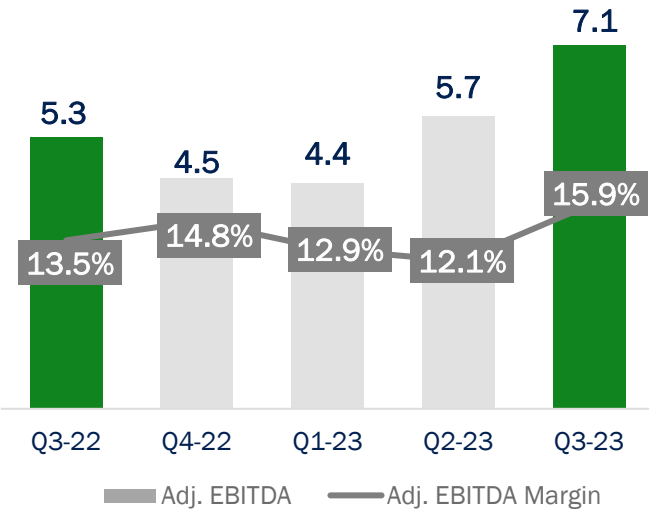
Revenues
(in millions of \$)



Gross Profit & Margin
(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹
(in millions of \$, except margin)



1) This is a non-GAAP measure. Please refer to the MD&A.

Driven by stronger telecom product sales and increased demand for GNSS products



Q3-23 Learning

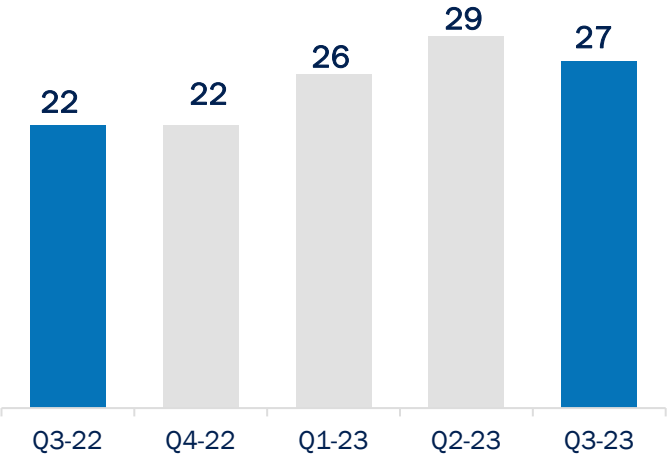
\$1M
Gross New Contract Signings

\$269M
Backlog

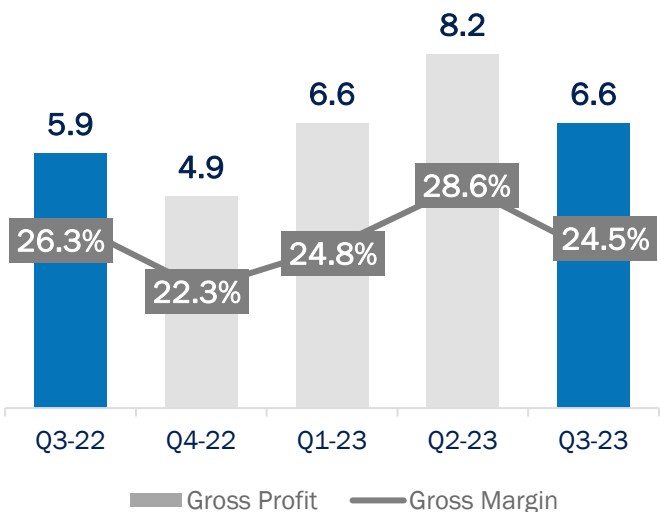
20%
Organic Growth

-%
Acquisitive Growth

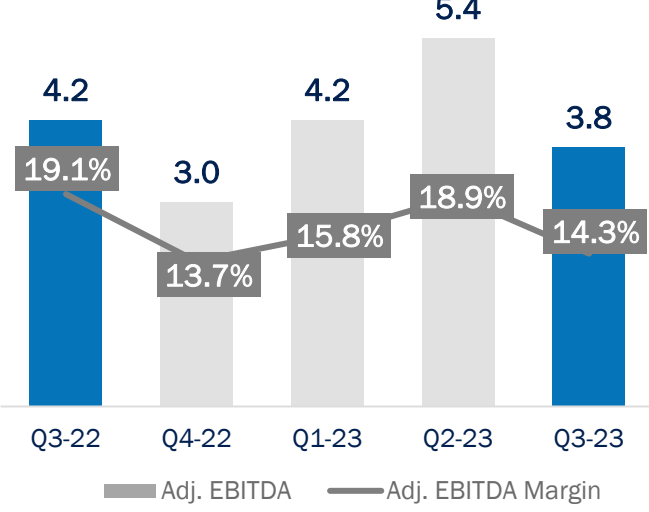
Revenues
(in millions of \$)



Gross Profit & Margin
(in millions of \$, except margin)



Adj. EBITDA¹ & Margin¹
(in millions of \$, except margin)



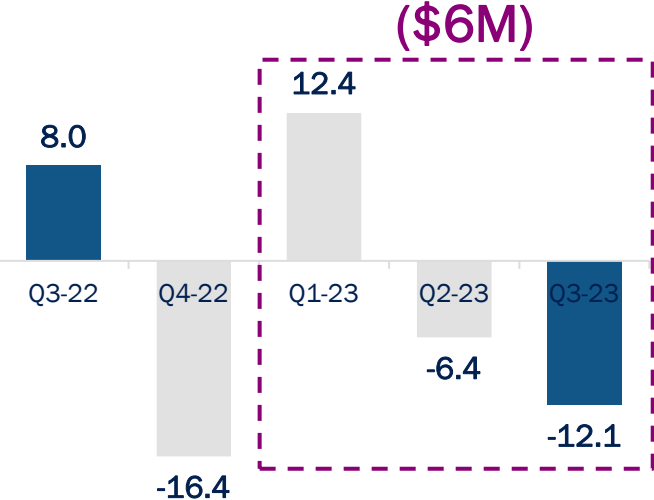
1) This is a non-GAAP measure. Please refer to the MD&A.

Profitability is down due to investments to support growth in Europe

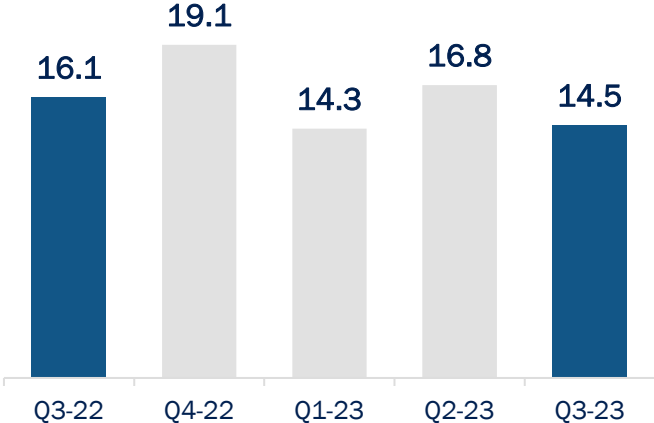


Q3-23 – Cash Flow

Working Capital
(in millions of \$)

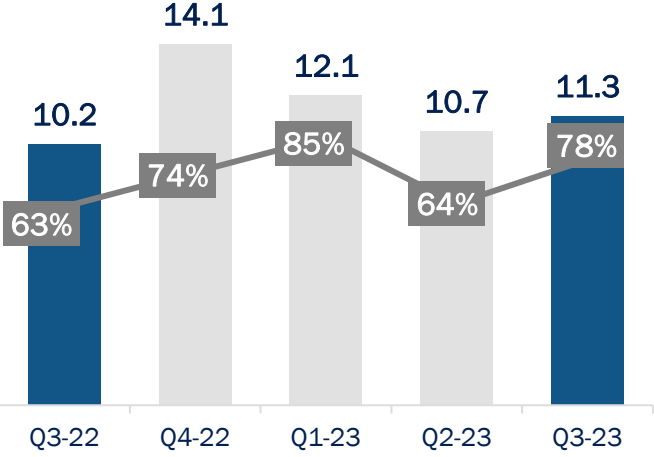


Adj. EBITDA²
(in millions of \$)



2) This is a non-GAAP measure. Please refer to the MD&A.

Operating Free Cash Flow (OCFC)^{1&2&3}
(in millions of \$, except margin)

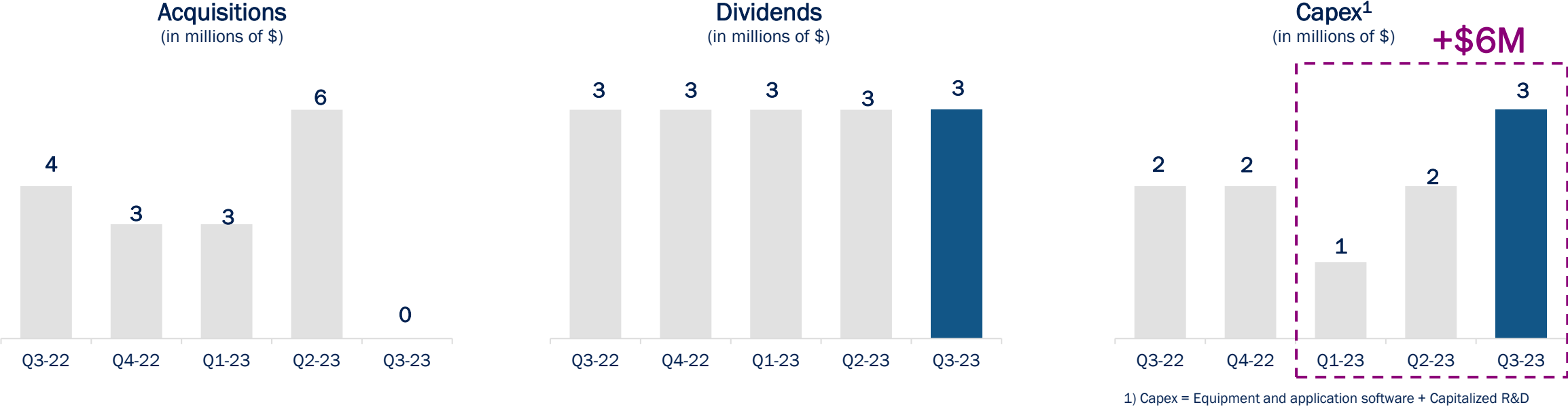


1) OCFC=CFO less capex and excluding working capital
 2) OCFC Conversion = OCFC divided by adjusted EBITDA
 3) This is a non-GAAP measure. Please refer to the MD&A.

Our target is to end FY23 with positive working capital

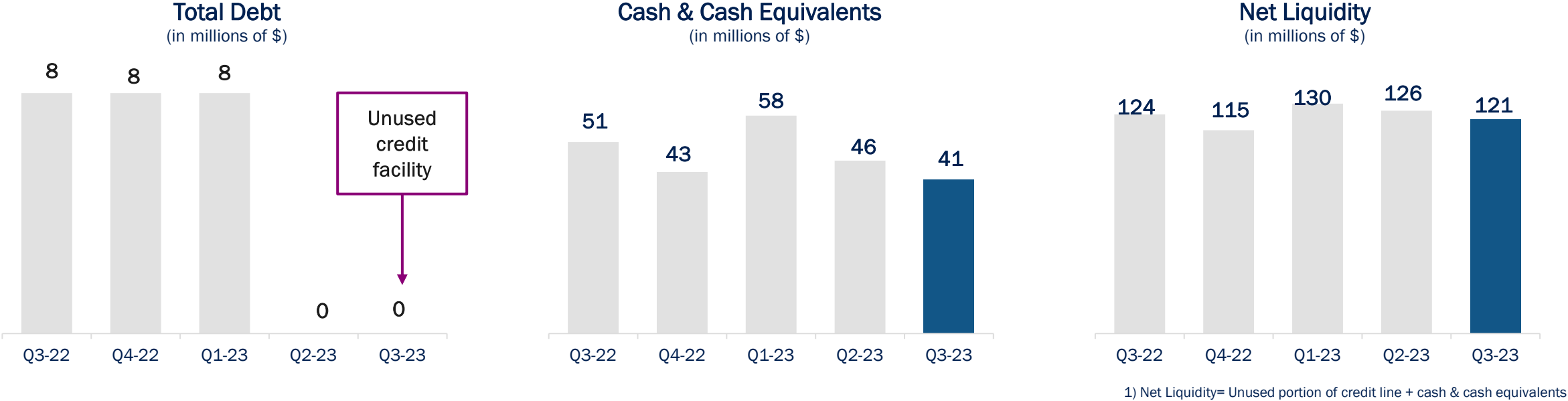


Q3-23 – Capital Deployment



We expect over \$50M in cash outflow for acquisitions in Q4-23

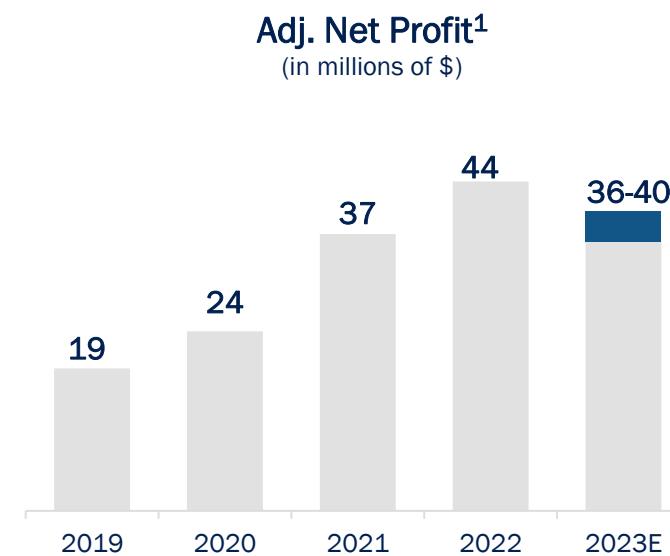
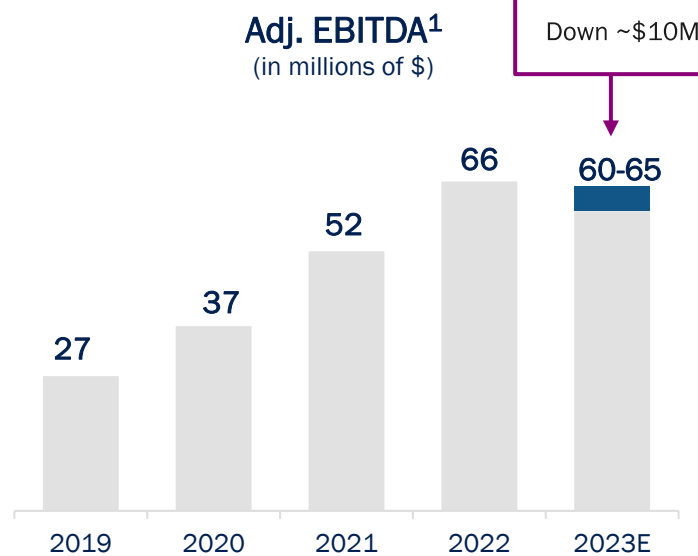
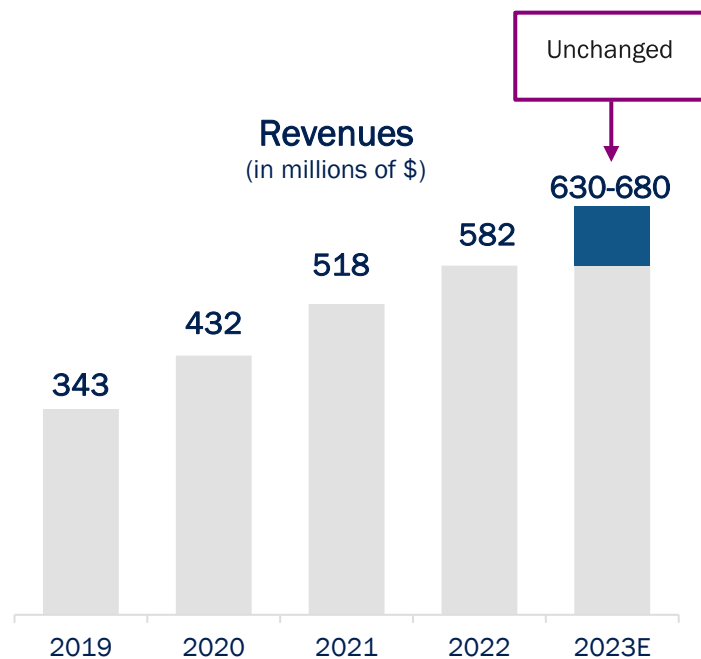
Q3-23- Balance Sheet



Our cash, combined with our new expanded credit facility, provides us with \$221M of net liquidity



FY23 – Updated Guidance



1) This is a non-GAAP measure. Please refer to the MD&A.

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In light of Q3-23 results we have updated our guidance

Concluding Remarks

- Acted quickly and decisively to adjust our business
- FY23 will be the 6th consecutive year of record revenues and gross profit
- The cost reduction measures will restore EBITDA levels in-line with recent performance as we enter FY24
- FY24 expected to be another record year:
 - Expected cost savings of \$8M from restructuring plan
 - The full year impact from the HPT acquisition
 - Continued organic growth momentum
 - Strong pipeline of acquisitions
- Confident to continue our growth momentum on our journey to \$1 billion



Question Period



Kevin Ford
CEO



Patrick Houston
CFO & Corporate Secretary



Jennifer McCaughey
Director, Investor Relations



Thank you

ir@calian.com



Reconciliation of Non-GAAP Measures – Adj. EBITDA

(in thousands of \$)	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net profit	\$4,673	\$6,836	\$13,766	\$12,409
Depreciation of equipment and application software	2,361	2,237	6,910	4,666
Depreciation of right of use asset	1,127	978	3,149	2,679
Amortization of acquired intangible assets	3,603	3,351	10,414	17,071
Lease interest expense	139	94	372	308
Changes in fair value related to contingent earn-out	138	651	3,442	3,266
Interest expense (income)	(254)	142	(269)	288
Deemed compensation	-	-	147	1,000
Income Tax	2,719	1,847	7,675	5,178
Adjusted EBITDA	\$14,506	\$16,136	\$45,606	\$46,865

Reconciliation of Non-GAAP Measures – Adj. Net Profit & Adj. EPS

(in thousands of \$, except per share amounts)	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net Profit	\$4,673	\$6,836	\$13,766	\$12,409
Changes in fair value related to contingent earn-out	138	651	3,442	3,266
Deemed Compensation	-	-	147	1,000
Amortization of intangibles	3,603	3,351	10,414	17,071
Adjusted net profit	\$8,414	\$10,838	\$27,769	\$33,746
Weighted average number of common shares basic	11,732,711	11,350,214	11,689,528	11,325,096
Adjusted EPS Basic	0.72	0.95	2.38	2.98
Adjusted EPS Diluted	0.71	0.95	2.37	2.97

Reconciliation of Non-GAAP Measures – Operating Free Cash Flow

(in thousands of \$, except per share amounts)	Three months ended		Nine months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Cash flows generated from operating activities	\$2,545	\$19,775	\$34,071	\$43,153
Capitalized research and development	-	(25)	(86)	(175)
Equipment and application software	(3,341)	(1,585)	(5,986)	(4,908)
Free cash flow	(796)	\$18,165	\$27,999	\$38,070
Change in non-cash working capital	12,089	(7,952)	6,123	(4,987)
Operating free cash flow	\$11,293	\$10,213	\$34,122	\$33,083
Operating free cash flow per share	0.96	0.90	2.92	2.92