



Conference Call Presentation

Q2-24

For the quarter ended
March 31, 2024

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.

Q2-24 Highlights

- **Record Q2 results** for revenues, gross margin and adjusted EBITDA margin
- **Strong first half** with revenues up 20%, gross margin above 33% and adjusted EBITDA margin close to 12%
- M&A engine is on track with the completion of the acquisitions of the **nuclear assets from MDA** (March) and **Mabway** (May)
- **Solid signings** of \$162 million including key wins in Learning (Canadian Armed Forces & CDA and MPGG) and ITCS (General Dynamics)
- Valerie Travain appointed **President, Advanced Technologies**
- **Guidance increased** – on track to deliver our 7th consecutive year of double-digit revenue growth

Q2-24 Consolidated Results

3%

Organic Growth

16%

Acquisitive Growth

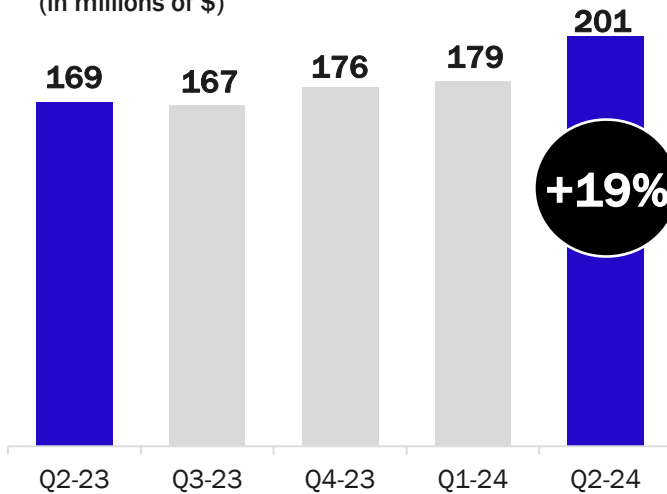
\$162M

Contract Signings

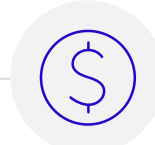
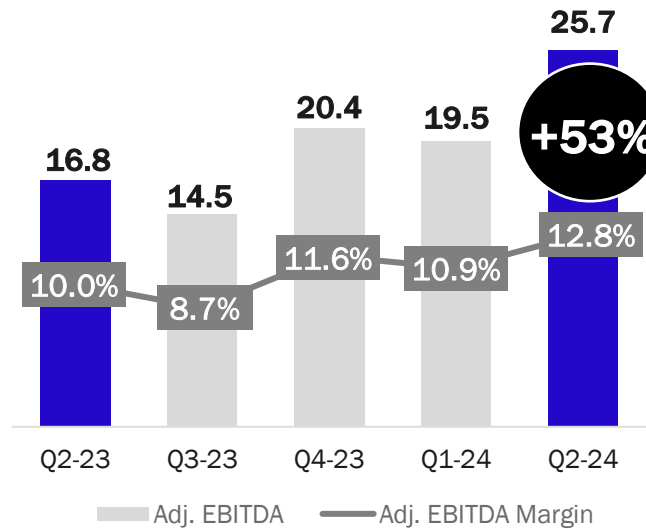
\$1.1B

Backlog

Revenues
(in millions of \$)



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



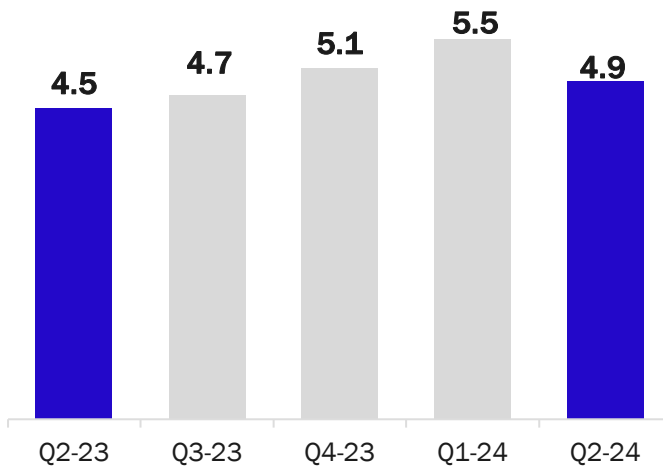
**Record revenues,
gross margin and
adj. EBITDA**



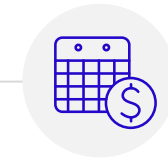
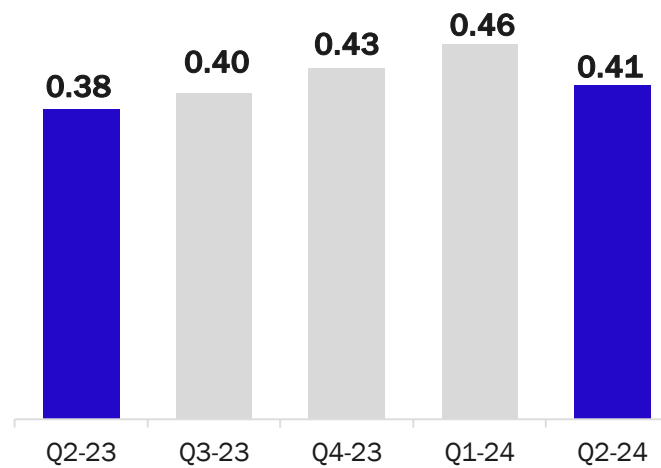
1) This is a non-GAAP measure. Please refer to the MD&A.

Q2-24 Net Profit & EPS Diluted

Net Profit
(in millions of \$)



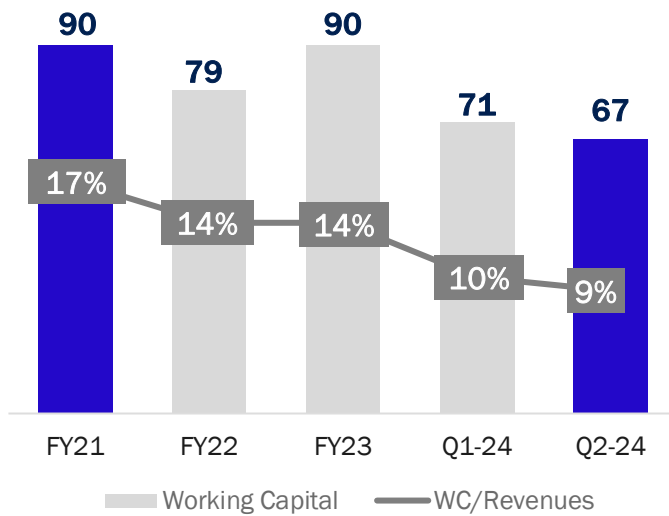
EPS Diluted
(in \$)



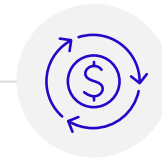
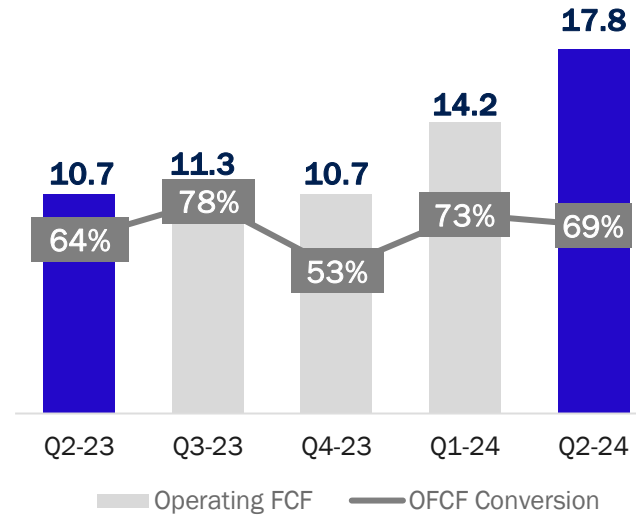
Profitability growth
impacted by
acquisition related
expenses

Q2-24 Working Capital & Operating FCF

Working Capital¹ & WC/Revenues
(in millions of \$, except %)



Operating FCF² & Conversion²
(in millions of \$, except %)



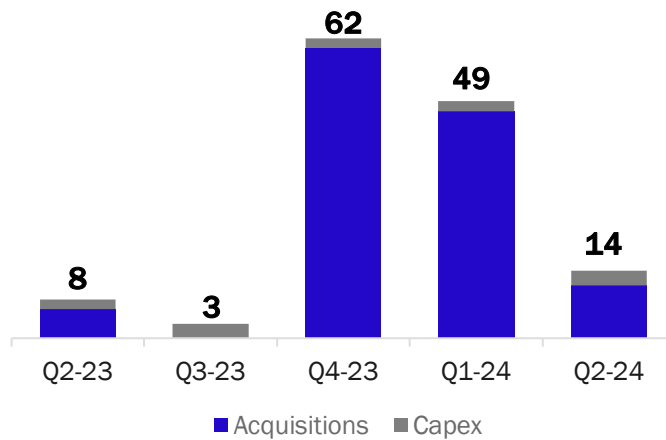
Working capital expected to be neutral to slightly negative for FY24

1) WC=(Current assets less cash)-(current liabilities less debt, less contingent earn-out, less lease obligations)

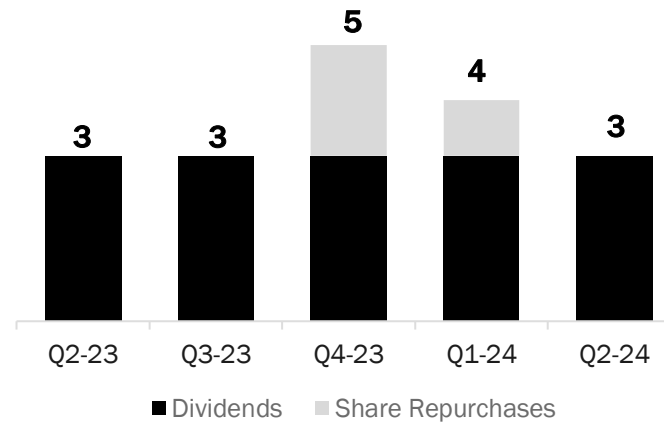
2) This is a non-GAAP measure. Please refer to the MD&A.

Q2-24 Capital Deployment

Investments in the Business
(in millions of \$)



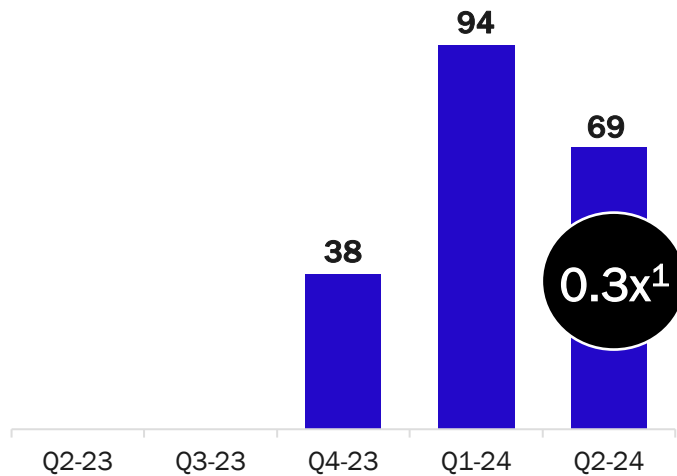
Return to shareholders
(in millions of \$)



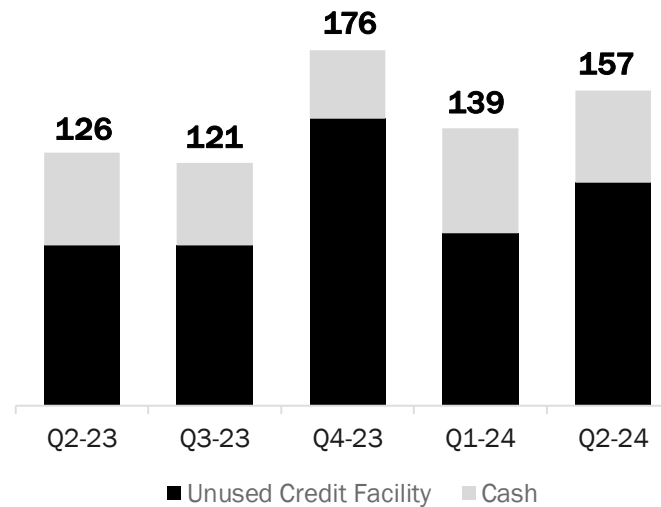
**We will resume our
share buyback
program**

Q2-24 Balance Sheet

Total Debt
(in millions of \$)



Net Liquidity
(in millions of \$)

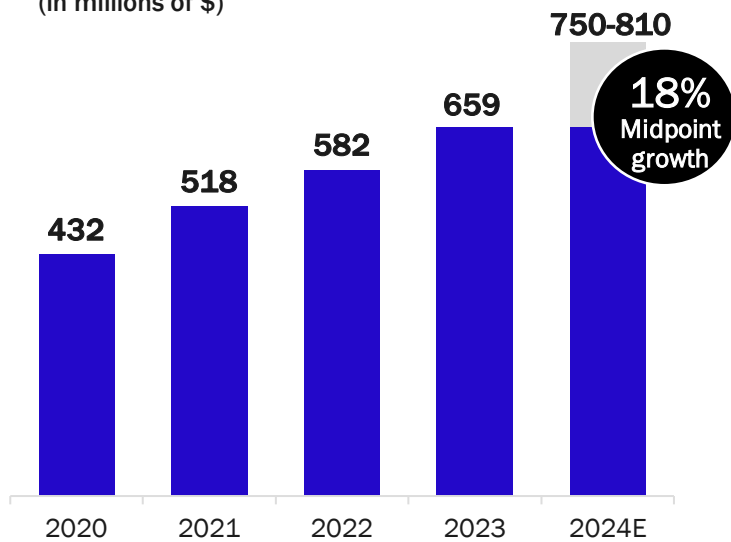


**Solid balance sheet
to pursue growth**

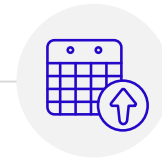
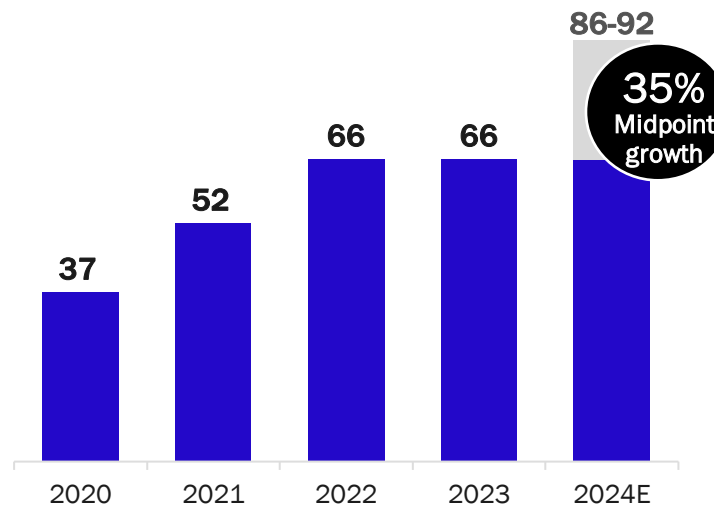
1) Net debt/ adj. EBITDA. This is a non-GAAP measure. Please refer to the MD&A.

Q2-24 Guidance Increased

Revenues
(in millions of \$)



Adj. EBITDA¹
(in millions of \$)



On track for another
record year

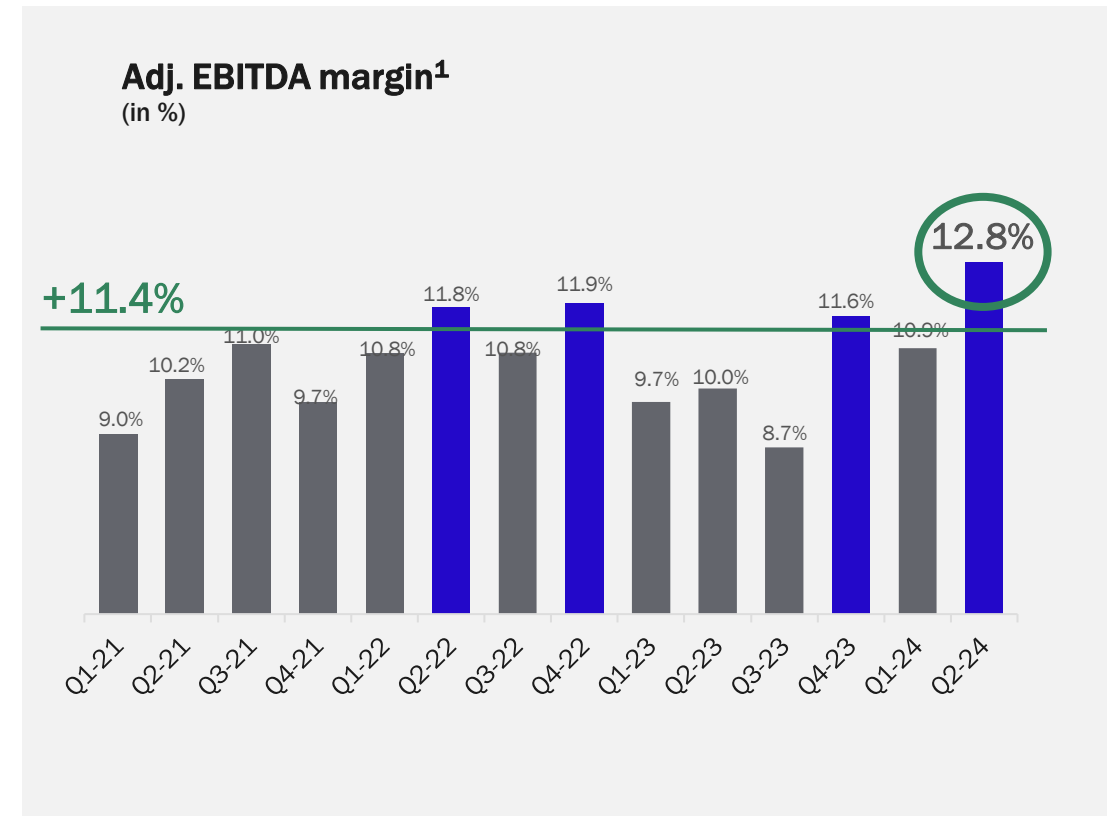
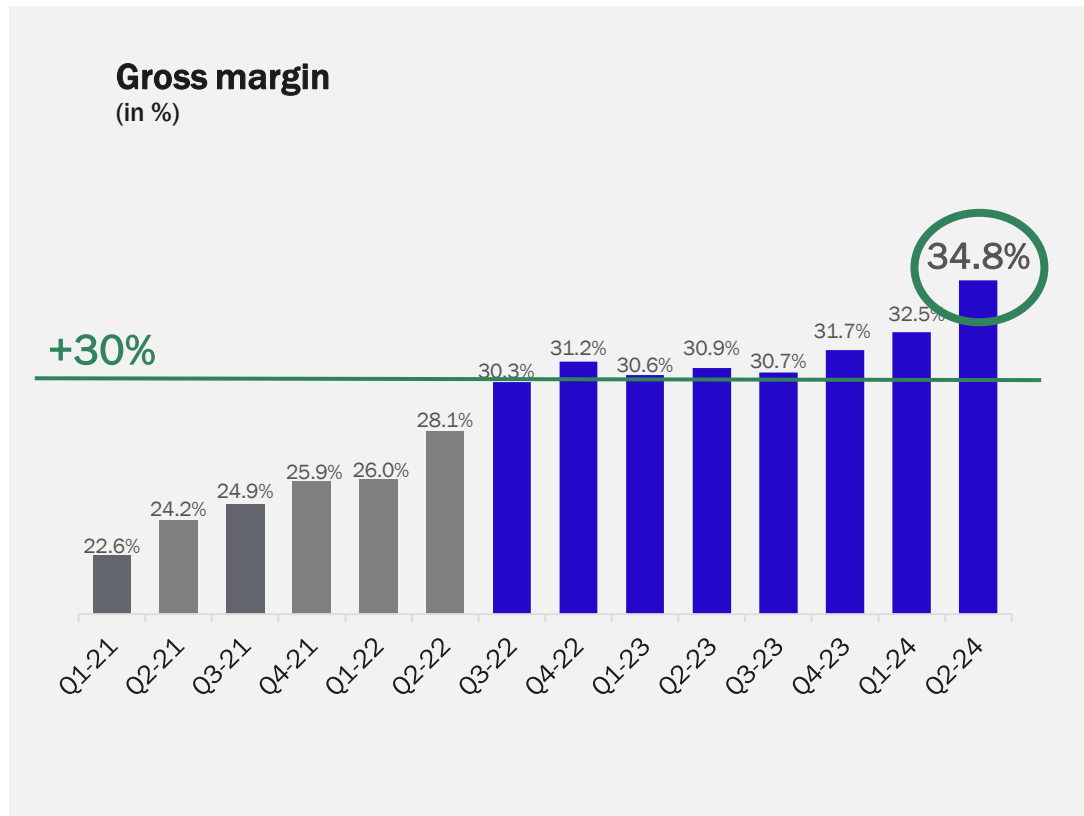
1) This is a non-GAAP measure. Please refer to the MD&A.

1) Tracking on 3-Yr M&A Target (2024-26)

Acquisition	Purchase Price (M\$)	Revenue (M\$)	EBITDA (M\$)	EBITDA Margin (%)	Multiple
Decisive	50	40	8	20%	6.3x
MDA Nuclear Assets	8	8	2.5	31%	3.2x
Mabway	32	35	8	23%	4.0x
Total	90	83	18.5	21%	4.9x

Targets	250-300	210-250	36-43	17%	6x-8x
% Target achieved (at midpoint)	33%	36%	47%	Above	Below

2) Margin Expansion



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

3) Talent



Derek Clark
President
Health



Michael Tremblay
President
ITCS



Valerie Travain
President
Advanced Technologies

Closing Remarks

- Overperforming on our M&A agenda
- Increasing gross margins and adjusted EBITDA margins
- Bolstering our bench strength
- Resuming our share buyback

Question Period



Kevin Ford

CEO



Patrick Houston

CFO



**Jennifer
McCaughey**

**Director, Investor
Relations**

Appendix A – Segment Results

Q2-24 IT and Cyber Solutions

-1%

Organic Growth

39%

Acquisitive Growth

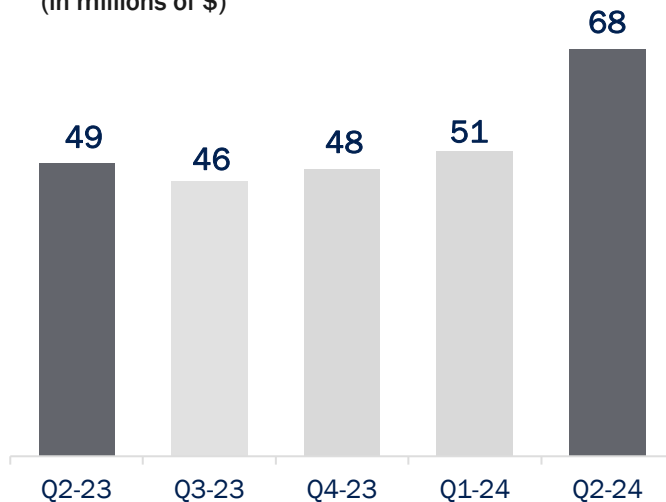
\$74M

Contract Signings

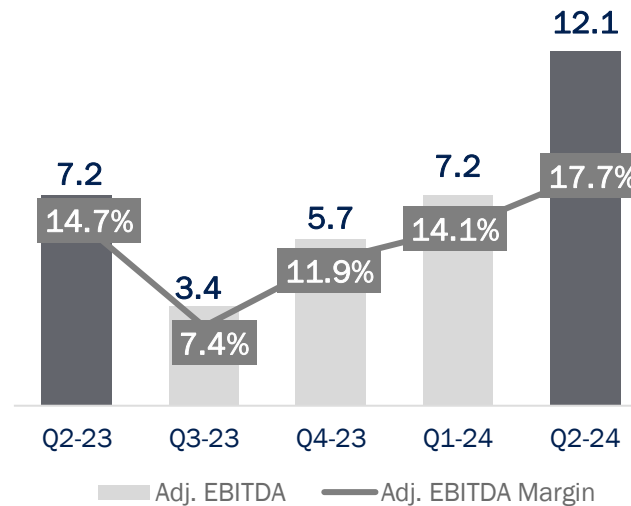
\$143M

Backlog

Revenues
(in millions of \$)



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



Highlights

Solid contribution from Decisive

Continued margin recovery

Signed 6-yr \$90M contract with GD²

1) This is a non-GAAP measure. Please refer to the MD&A.
2) GD=General Dynamics

Q2-24 Health

23%

Organic Growth

-%

Acquisitive Growth

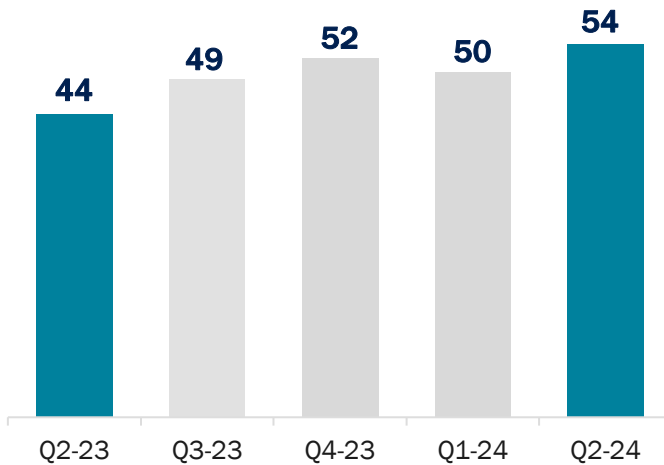
\$4M

Contract Signings

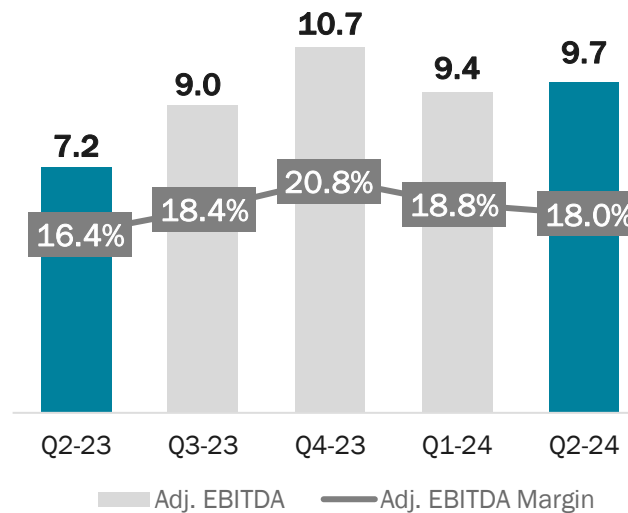
\$601M

Backlog

Revenues
(in millions of \$)



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



Highlights

Continued growth momentum

~\$200M revenue run rate

Pipeline of digital opportunities

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

Q2-24 Advanced Technologies

-8%

Organic Growth

18%

Acquisitive Growth

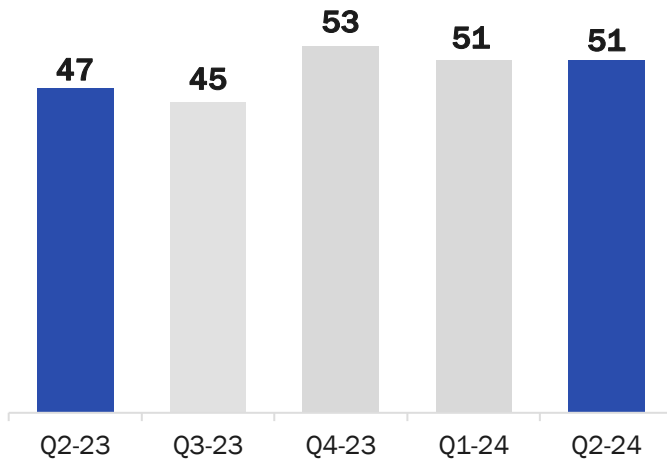
\$57M

Contract Signings

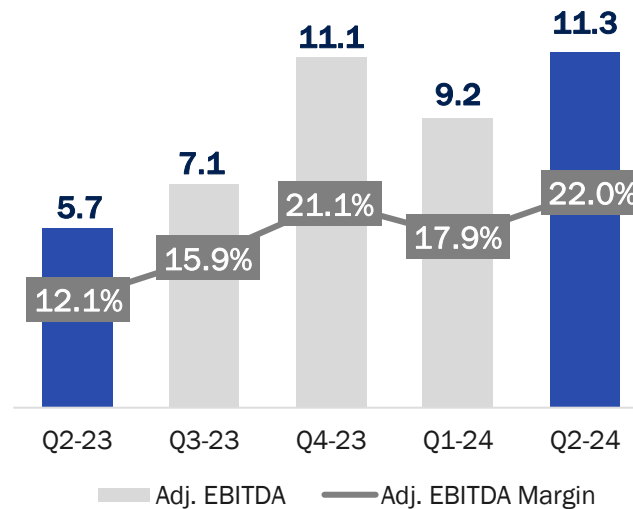
\$139M

Backlog

Revenues
(in millions of \$)



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



Highlights

- Start of new President
- Acquired nuclear assets from MDA
- Solid contribution from HPT

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

Q2-24 Learning

-2%

Organic Growth

-%

Acquisitive Growth

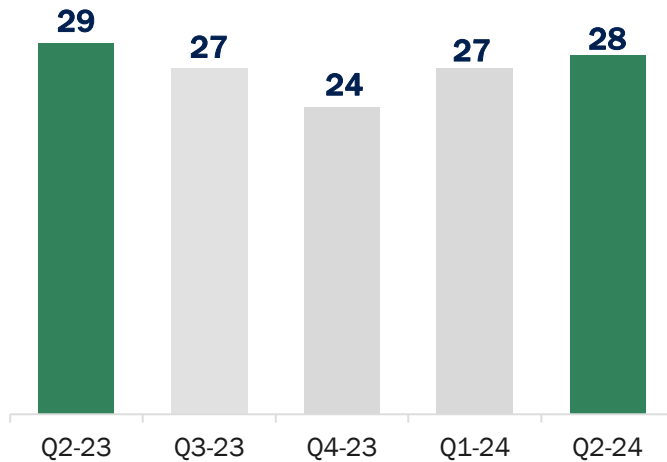
\$27M

Contract Signings

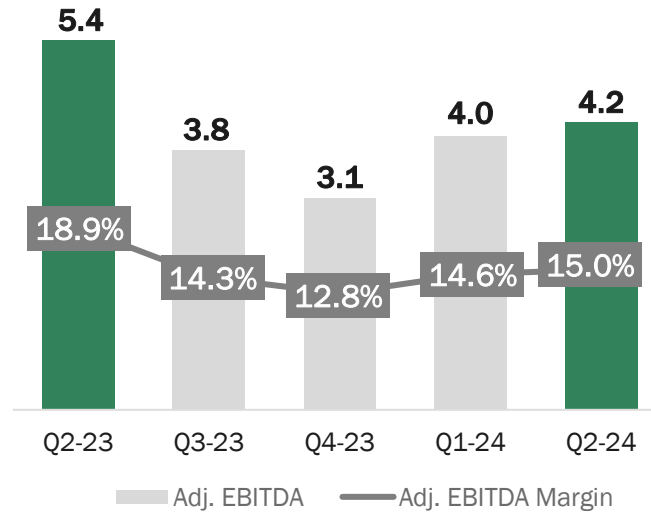
\$206M

Backlog

Revenues
(in millions of \$)



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



Highlights

Signed \$23M new contract with CAF²

Renewed \$10M contract with CDA³ & MPGG³

Acquired Mabway in the U.K.

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

2) Canadian Armed Forces

3) Canadian Defence Academy (CDA) and Military Personnel Generation Group (MPGG)

Appendix B – Reconciliation of Non-GAAP measures

Reconciliation of Non-GAAP Measures – Adj. EBITDA

(in thousands of \$)	Three months ended		Six months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Net profit	\$4,925	\$4,517	\$10,450	\$9,093
Depreciation of equipment and application software	2,496	2,252	4,804	4,549
Depreciation of right of use asset	1,468	1,015	2,931	2,022
Amortization of acquired intangible assets	6,149	3,450	11,384	6,811
Restructuring expense	1,495	-	1,495	-
Interest expense	1,734	95	3,281	218
Changes in fair value related to contingent earn-out	4,088	2,562	4,814	3,304
Deemed compensation	911	50	1,515	147
Income Tax	2,426	2,904	4,532	4,956
Adjusted EBITDA	\$25,692	\$16,845	\$45,206	\$31,100

Reconciliation of Non-GAAP Measures – Operating FCF

(in thousands of \$, except per share amounts and %)	Three months ended		Six months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Cash flows generated from operating activities	\$35,788	\$6,203	\$52,326	\$31,526
Property, plant and equipment	(2,796)	(1,931)	(5,196)	(2,731)
Free cash flow	\$32,992	\$4,272	\$48,130	\$28,795
Change in non-cash working capital	(15,147)	6,433	(16,118)	(5,966)
Operating free cash flow	\$17,845	\$10,705	\$32,012	\$22,829
Operating free cash flow per share	1.51	0.91	2.71	1.96
Operating free cash flow conversion	69%	64%	71%	73%

Reconciliation of Non-GAAP Measures – Net Debt/Adj. EBITDA

(in thousands of \$, except ratio)	March 31, 2024	Sept. 30, 2023
Cash	45,866	33,734
Debt facility	69,000	37,750
Net debt (net cash)	23,134	4,016
Trailing twelve month adjusted EBITDA	80,093	65,987
Net debt to adjusted EBITDA	0.3	0.1

Thank you

Jennifer McCaughey, CFA, F.CIRI

Director, Investor Relations

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