



Investor Presentation Q4 FY2024

40 YEARS OF GROWTH



Safe Harbour

The statements in this presentation relating to matters that are not historical fact are forward-looking statements that are based on management's beliefs and assumptions.

Such statements are not guarantees of future performance, and are subject to a number of uncertainties, including but not limited to future economic conditions, the markets that Tecsys Inc. serves, the actions of competitors, major new technological trends and other factors beyond the control of Tecsys Inc., which could cause actual results to differ materially from such statements.

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Tecsyst at a Glance

Our Purpose:

To empower
good companies
to be great

Our Position:

To clarify
uncertainty in the
supply chain

Our Mission:

To equip supply
chain greatness

Our Vision:

That good
companies have
the space to thrive

Our story is all about our customers



40 Years

of complex
supply network
experience

13 Times

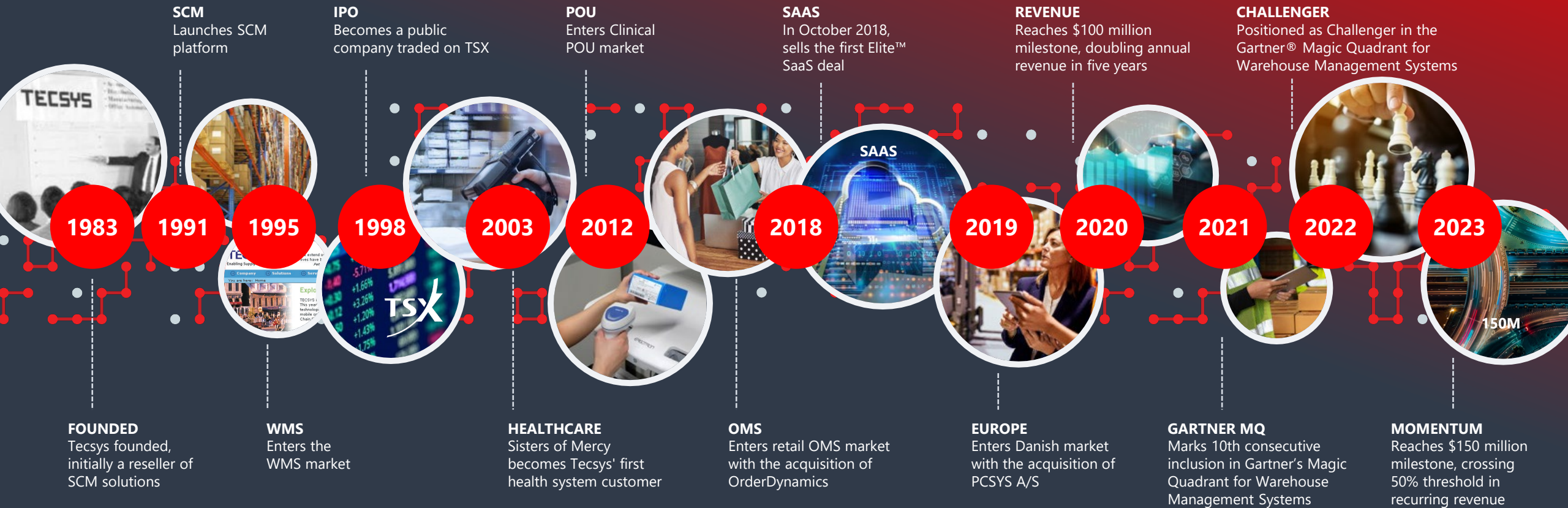
Tecsys named in
Gartner's Magic
Quadrant for WMS and
positioned as
Challenger since 2022

Top 2

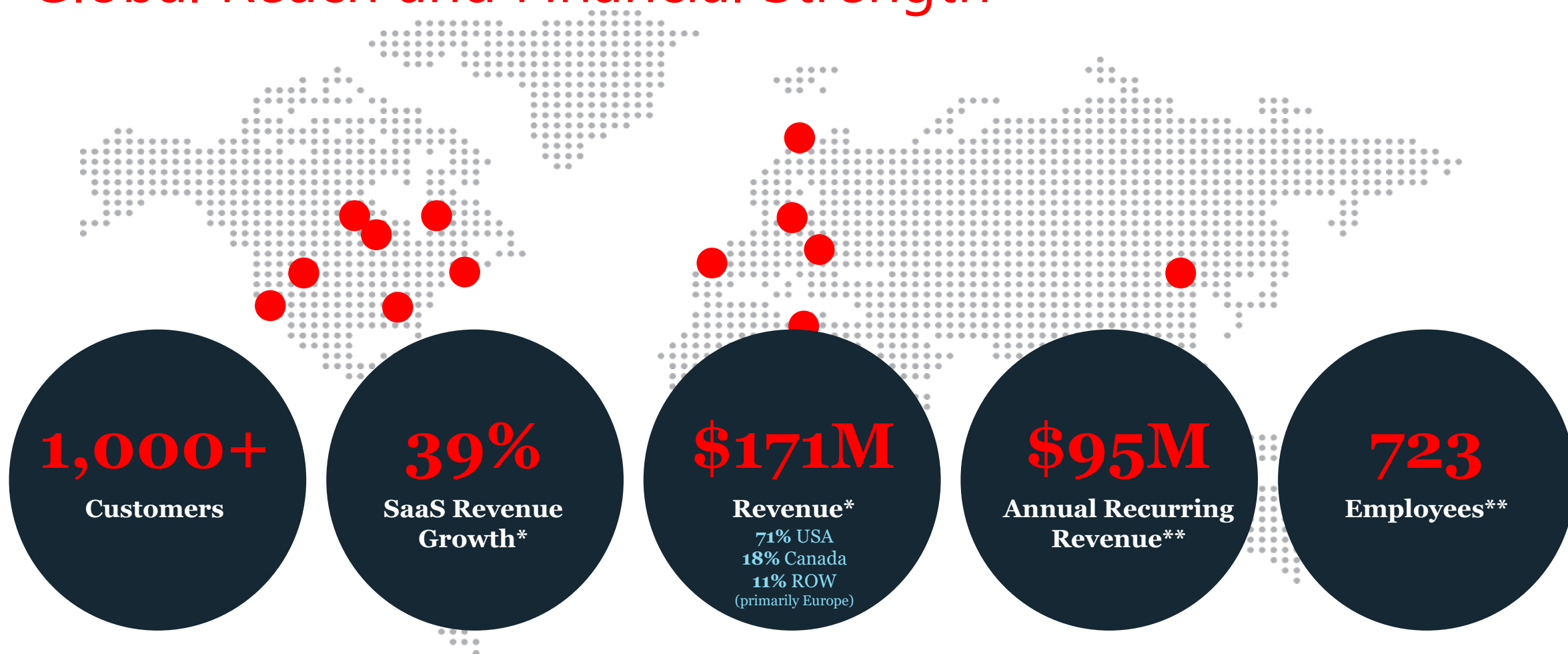
Eight customers, two
with Masters
recognition, on
Gartner's Healthcare
Supply Chain Top 25
for 2023

Trusted provider of supply chain technology
for the world's most complex supply networks





Global Reach and Financial Strength

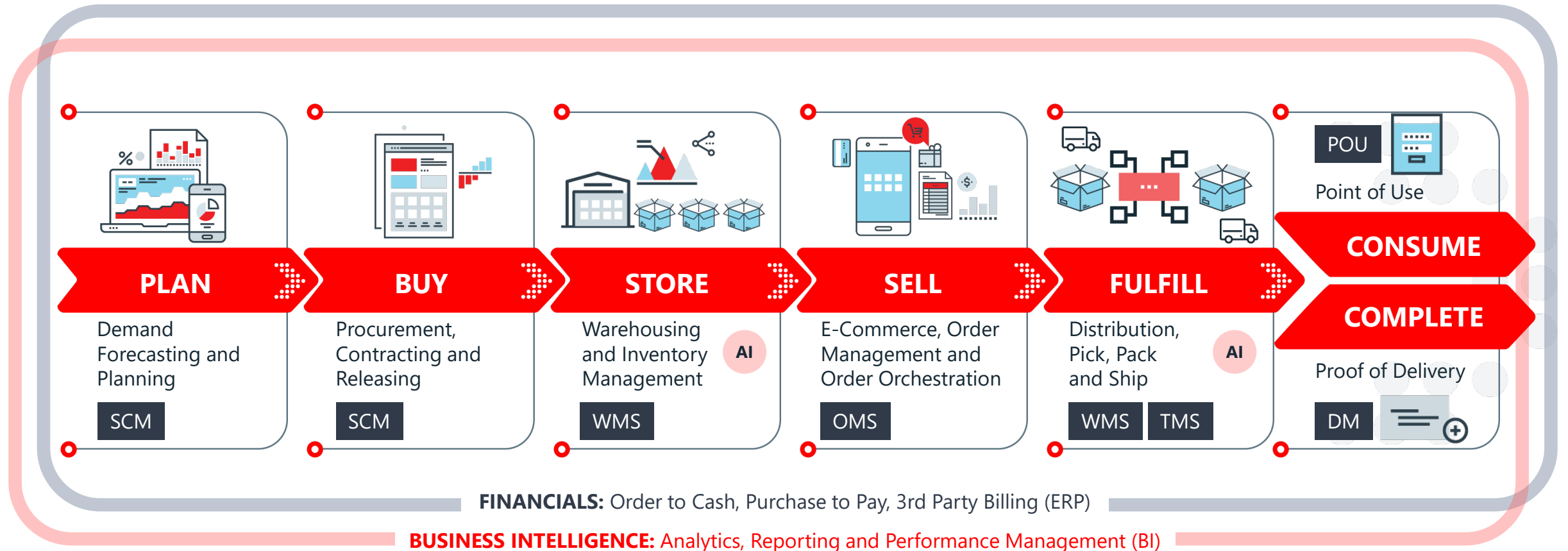


* Last twelve months, April 30, 2024

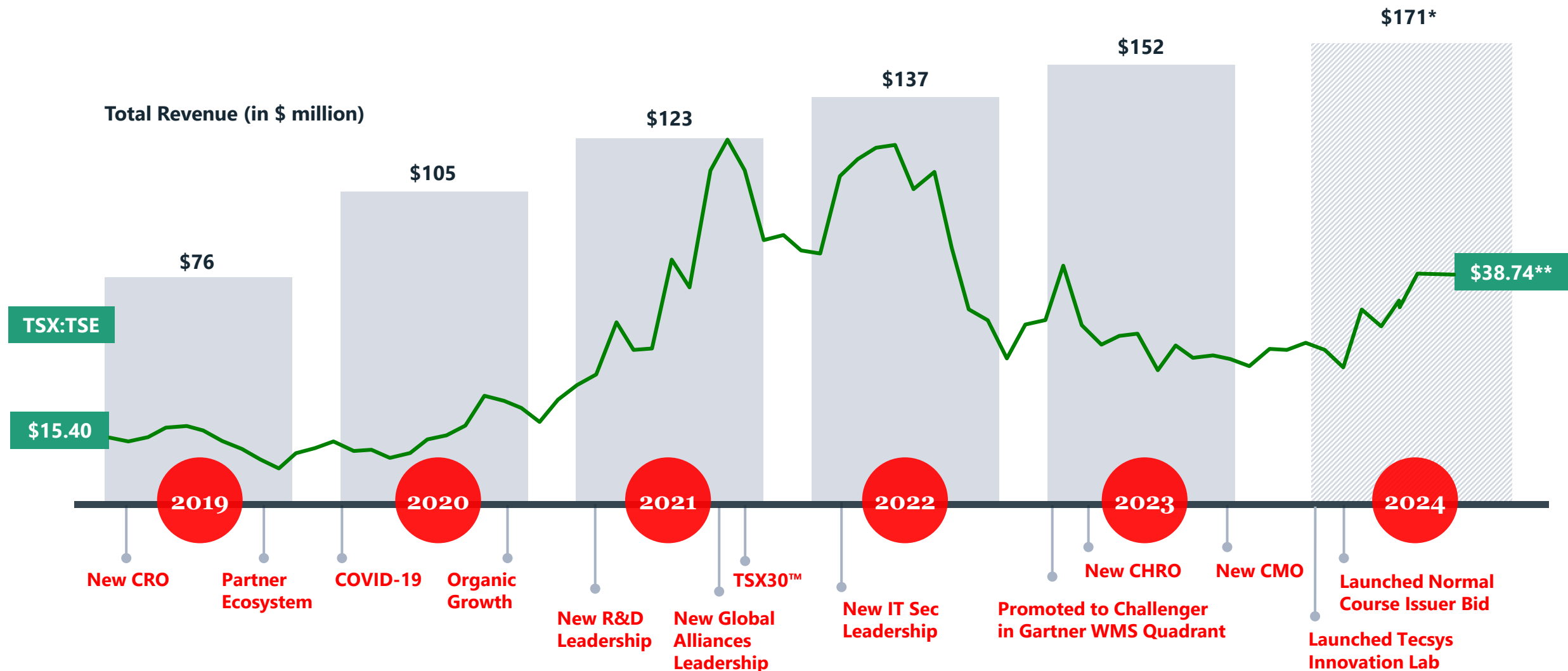
** On April 30, 2024

End-to-end Integrated Supply Chain Management Solutions

A platform for success



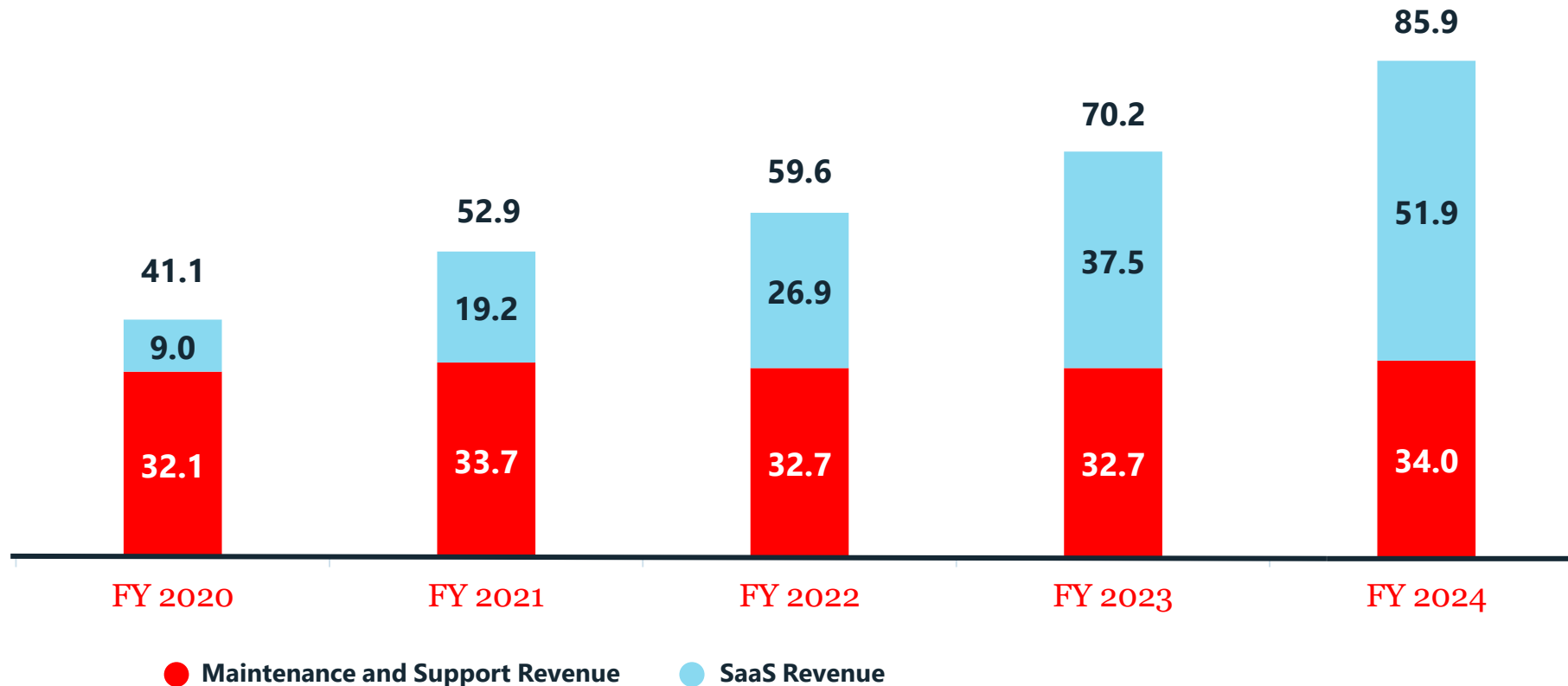
Tecsys Momentum



* LTM, April 30, 2024
** On April 30, 2024

SaaS Growth Driving Increase in Recurring Revenue

in \$CAD millions



39%
FY24 SaaS
Revenue Growth
YoY

Our Customers

Converging Complex Distribution

49%

Percentage of Annual
Recurring Revenue

51%

Healthcare



Solutions Built on Experience: Delivering end-to-end solutions with technology & services tailored to key industries

Healthcare Supply Chains Are Stressed

- Point of use breakdowns
- Volume fluctuations
- IDNs struggling

- Standardization across networks
- Extraordinary pressure on supply chain to deliver
- Regulatory requirements

Result: Healthcare supply chains need solutions urgently

Opportunity: Tecsyst is considered the **leader** in solving these issues for IDNs

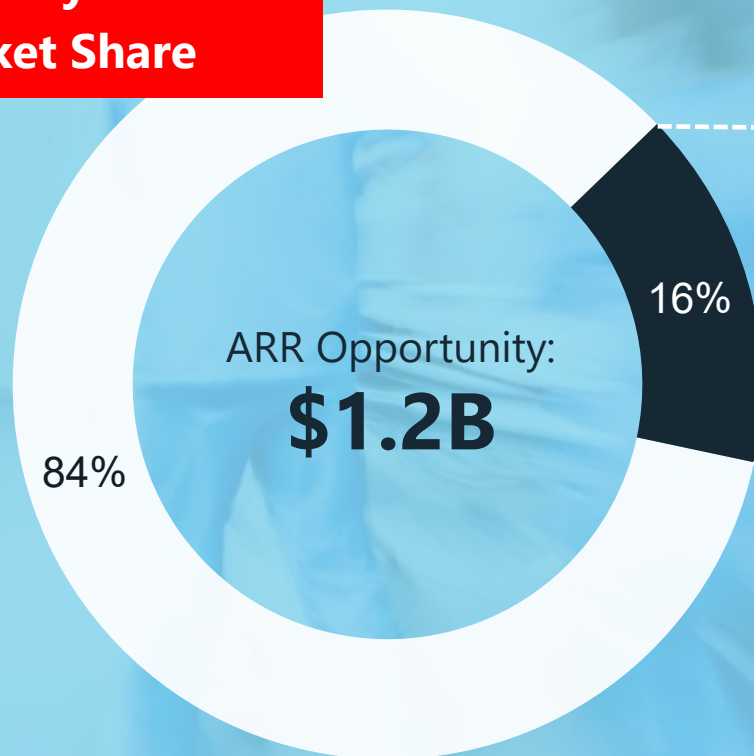
Healthcare Market Opportunity

Becoming Dominant in U.S. Health Systems Market – The \$1.2B ARR* Opportunity

373

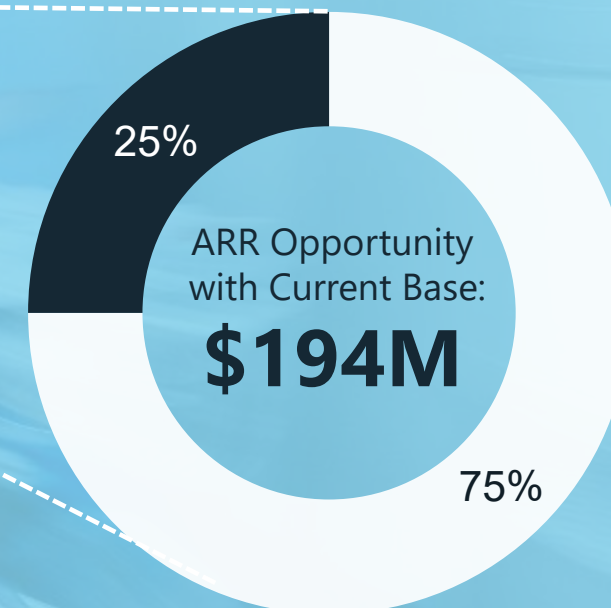
Target Health Systems

**Health Systems
Market Share**



■ Market Opportunity ■ Current Share

**Base Account
Penetration**



■ Market Opportunity

Brand Owner/Retail Convergence Drives Opportunity in Complex Distribution

- Seismic shift happening in retail
- Consumers demand products faster

- Businesses/trading partners expect the same
- Extraordinary pressure on supply chain to deliver

Result: Supply Chain Management needs urgent upgrade to handle complexity
Opportunity: Tecsys is well positioned to solve these challenges

Distribution Convergence Market Opportunity –\$6B

ARR Opportunity
\$6B

12,000
Total Prospects

Industries:

High-volume distribution/wholesalers of hard goods in these specific verticals: General hard goods – agricultural equipment, auto parts, computer equipment, construction materials, consumer packaged goods, electrical & electronics, fulfillment operations, giftware, HVAC, healthcare products, heavy equipment, home products, industrial products, office supplies, service parts, third-party logistics services

\$200M-\$10B+

Target market revenue range

Canada & the U.S.

Delivering Exceptional Innovation & Service Together

Partner Ecosystem - Accelerate Growth

Technology Alliances

**AWS, Workday, Oracle, Shopify,
Locus Robotics, Zebra Technologies,
SVT Robotics, Cerner and Optimizely**

- Complementary solutions
- Specific vertical
- Market reach
- Access to a customer base
- Market share

Advisory & Service Alliances

**Deloitte, CGI, KPMG, Bricz, Avalon CSC,
RiseNow Consulting, Sequoia Group,
Longbow Advantage and TechSera**

- Complementary services
- Aligned vertical focus
- Access to a customer base
- Strong local network
- Resource augmentation

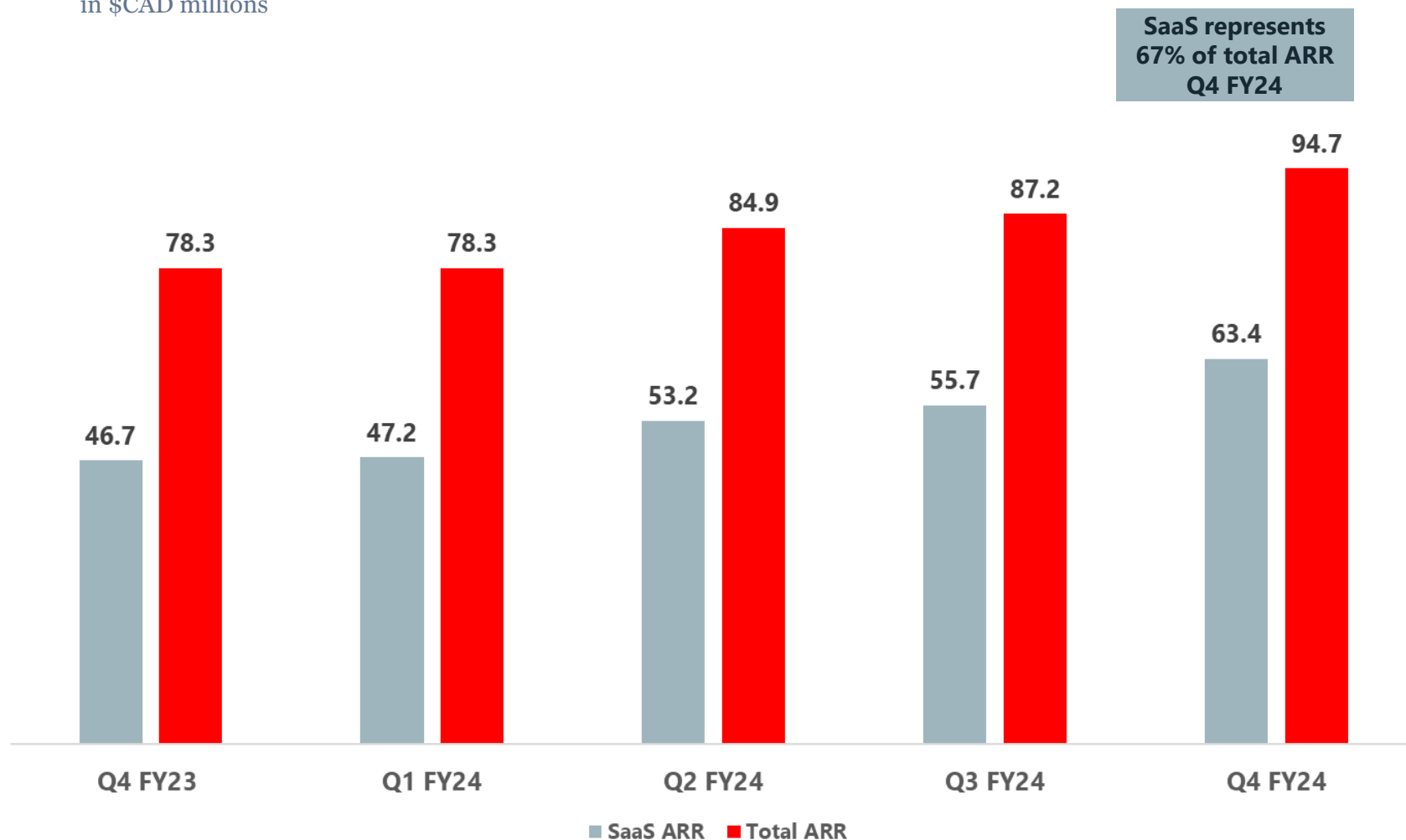
Partner influenced current sales pipeline

Q4 FY24: 26%



SaaS Driving Annual Recurring Revenue (ARR)¹ Growth

in \$CAD millions



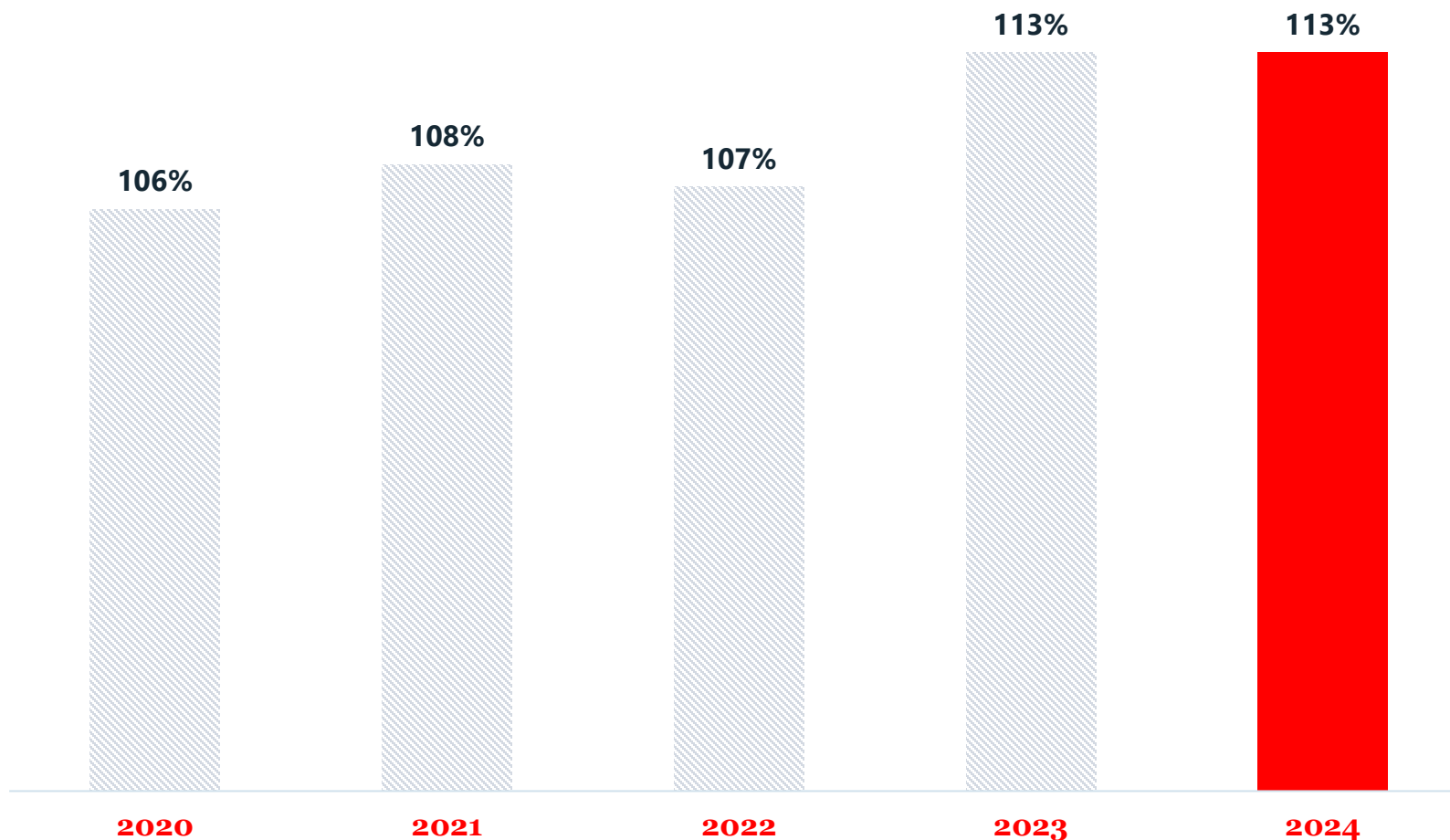
36%

Q4 FY24 SaaS ARR
growth YoY

51%

Q4 FY24 recurring
revenue as a % of
total revenue

Annual Recurring Revenue Net Retention Rate



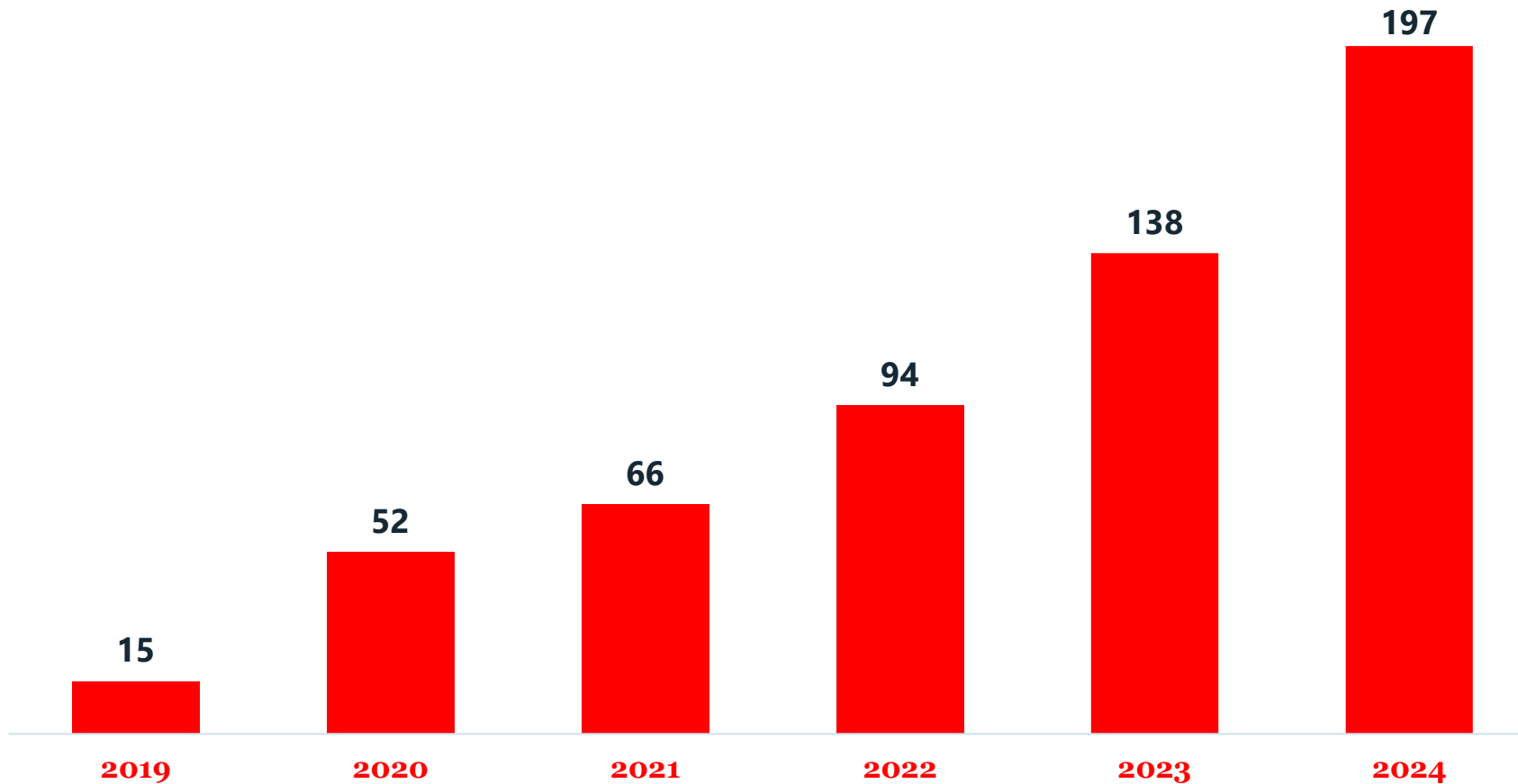
113%

**LTM Q4 Fiscal
2024 Recurring
Revenue Net
Retention Rate**

**Net Retention = (Existing
customer expansion less
churn) divided by Beginning
period ARR**

SaaS Remaining Performance Obligation (RPO)

in \$CAD millions



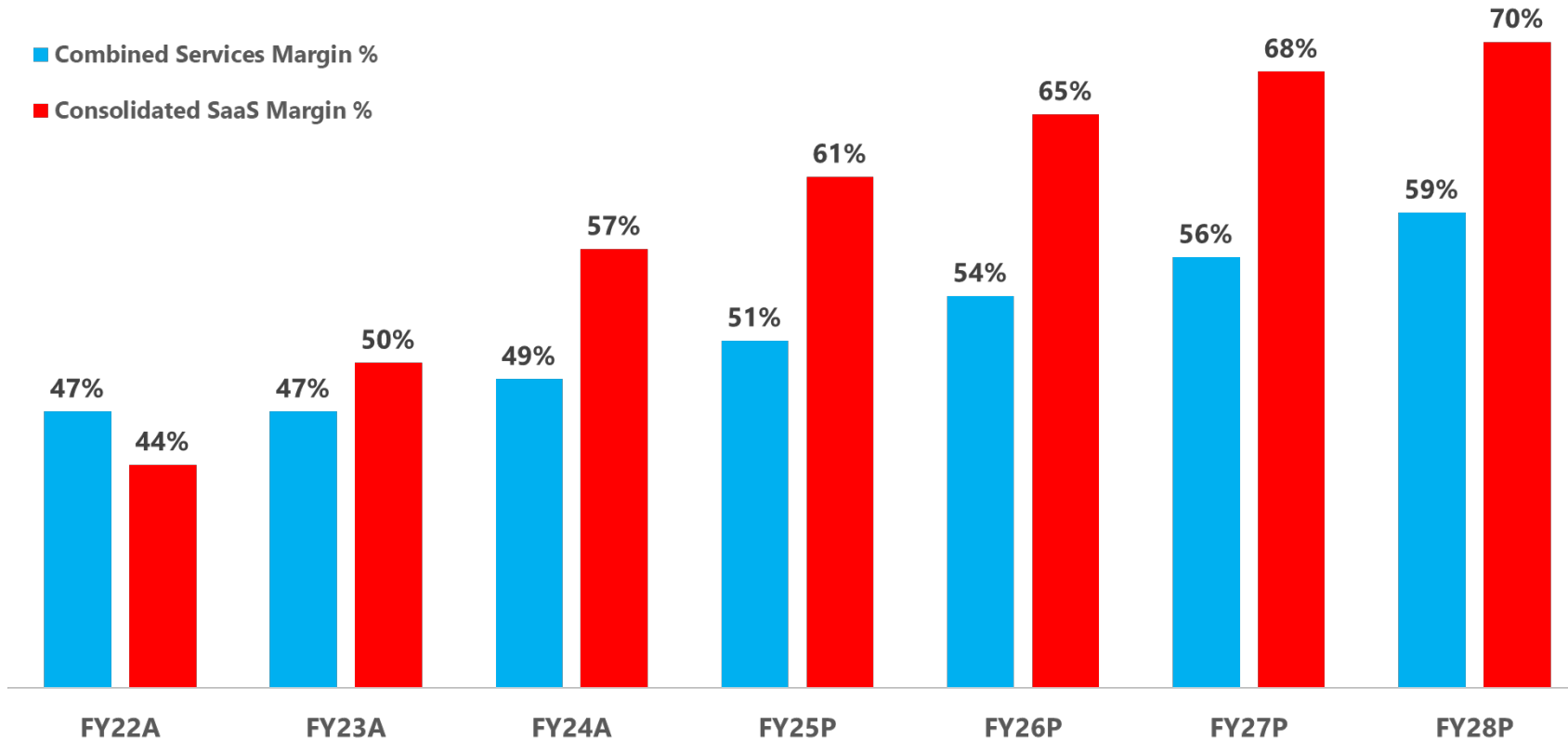
\$197M

Q4 FY24 SaaS RPO

43%

Q4 FY24 SaaS RPO YoY
Growth

Projected* SaaS Margin Expansion



- Combined services margins include SaaS, maintenance and support (including hosting) and professional services.
- Previously sub-scale SaaS business at an inflection point.
- *Projection assumes: 30% YoY SaaS Bookings growth, incremental SaaS deals with 75% margins and PS revenue growth 8% per year.

Financial Highlights

in \$CAD thousands except EPS

	Q4 2024		Q4 2023		Δ YoY		Q4 2024 TTM		Q4 2023 TTM		Δ YoY	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Total Revenue	43,955	100%	41,192	100%	2,763	7%	171,242	100%	152,424	100%	18,818	12%
SaaS Revenue	14,191	32%	11,133	27%	3,058	27%	51,918	30%	37,476	25%	14,442	39%
Maintenance and Support Revenue	8,140	19%	7,992	19%	148	2%	33,957	20%	32,714	21%	1,243	4%
Professional Services Revenue	14,390	33%	14,614	35%	(224)	-2%	55,188	32%	55,353	36%	(165)	0%
Cost of Revenue	23,341	53%	22,828	55%	513	2%	92,853	54%	85,615	56%	7,238	8%
Gross Profit	20,614	47%	18,364	45%	2,250	12%	78,389	46%	66,809	44%	11,580	17%
Sales & Marketing	8,437	19%	7,778	19%	659	8%	32,976	19%	28,080	18%	4,896	17%
General and Administration	3,264	7%	2,599	6%	665	26%	11,844	7%	11,218	7%	626	6%
Research and Development	7,435	17%	6,597	16%	838	13%	29,514	17%	23,943	16%	5,571	23%
Restructuring Costs	2,122	5%	-	0%	2,122	n.a	2,122	1%	-	0%	2,122	n.a
Operating Expenses	21,258	48%	16,974	41%	4,284	25%	76,456	45%	63,241	41%	13,215	21%
(Loss) Profit from Operations	(644)	-1%	1,390	3%	(2,034)	-146%	1,933	1%	3,568	2%	(1,635)	-46%
Net Profit	259	1%	446	1%	(187)	-42%	1,849	1%	2,089	1%	(240)	-11%
Adjusted EBITDA	2,780	6%	2,449	6%	331	14%	9,614	6%	9,484	6%	130	1%
EPS Basic	0.02		0.03		(0.01)	-33%	0.13		0.14		(0.01)	-7%
EPS Diluted	0.02		0.03		(0.01)	-33%	0.13		0.14		(0.01)	-7%
SaaS ARR Bookings	8,010		3,857		4,153	108%	18,554		16,392		2,162	13%
Total Annual Recurring Revenue							94,680		78,252		16,428	21%
SaaS Backlog							196,940		137,699		59,241	43%
Professional Services Backlog							32,146		41,345		(9,199)	-22%
SaaS Annual Recurring Revenue							63,442		46,723		16,719	36%

Refer to April 30, 2024,
Management Discussion
and Analysis "Non-IFRS
Performance Measures"

Refer to April 30, 2024,
Management Discussion and
Analysis "Key Performance
Indicators"

Corporate Overview

\$575M

Market Cap**
14.8M S/O

TMX

Symbol TCS

31¢

Dividend per Year*

18%

Insider Ownership**

Brokerage Coverage

- Cormark Securities Inc.
- National Bank Financial
- Raymond James
- Stifel
- Ventum Financial

* Last twelve months, April 30, 2024

** On April 30, 2024

Reasons to Invest

Cloud-based



Operates a **single cloud-based platform** that services two major supply chain market segments.

**\$1.2B
ARR
TAM**



Greenfield **opportunity in healthcare** with the potential to dominate a global \$1.2B ARR TAM.

**\$6B
ARR
TAM**



Disruptor **opportunity in complex distribution** as retail, 3PL, and distributors modernize & replace legacy systems. \$6B ARR TAM.

**39%
SaaS
Revenue
Growth**



LTM April 30, 2024, YoY SaaS revenue growth of 39%.

**2.8x
NTM
EV/sales**



Trading at 2.8x NTM EV/sales, a 82% discount to its closest comparable MANH.



Thank You